



Daily Report

Latin America

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IDB Members Agree To Increase Capital

PA1204211194 Madrid EFE in Spanish 2036 GMT
11 Apr 94

[Text] Guadalajara, (Mexico), 11 Apr (EFE)—The 35th Annual Assembly of the Inter-American Development Bank (IDB) began on Monday in Guadalajara (Mexico) and focused on the need to foster social development in Latin America just hours after member countries agreed to increase the organization's capital.

In the opening ceremony, Mexican President Carlos Salinas de Gortari said that now that the structural adjustment programs are resulting in growth, there is a need to fight poverty and social inequality.

"We need to face the challenges common to all people, to wage a frontal assault on poverty to ensure growth and job creation, to build strong and lasting democracies, to protect and conserve our natural and cultural heritage, and to continue the unyielding fight against the criminal force of drug trafficking," Salinas said.

IDB President Enrique Iglesias, a Uruguayan, said that "economic growth and social integration are essential for political stability." He also warned against populist voices that affect social economic costs within society.

"The social costs of misadjustment and hyperinflation have been much higher than the inevitable adjustment processes. We see this now when we look at social investment deficits," Iglesias added.

Iglesias recalled a recent comment by Salinas de Gortari, who said that democracy is not only elections, because "people on the social fringes cannot effectively participate in politics. It is impossible to have full citizens' rights amid poverty and ignorance."

Iglesias added that history has taught us that "macroeconomic stability is absolutely necessary" to improving social conditions in Latin America.

"We need to redouble our efforts to continue modernizing and to bring stability. We also need to complete the great task that lies ahead," Iglesias said in reference to social support.

The IDB president highlighted the fact that Latin American countries are increasing their social sector budgets and he expressed satisfaction at the recent agreement reached by IDB member countries to increase the IDB's funds to \$40 billion.

This agreement, which was reached a few hours before the assembly began, is a mandate so the IDB will increase by 50 percent its credit fund for loans destined to the social sectors of Latin American and Caribbean countries.

This is going to allow us to earmark about \$3.5 billion yearly for regional social development projects, compared to about \$2 billion in 1993.

The agreement, in addition to increasing the IDB capital from \$60 billion to \$100 billion, includes the repayment of \$1 billion to the Special Operations Fund (FOE), IDB's "teller window" intended to grant very long-term financing at low interest rates to the region's poorest countries.

Projects financed by this "teller window" will fight poverty, mainly in countries like Bolivia, Nicaragua, Honduras, Haiti, and Guyana.

The National Assembly president, Mexican Finance Secretary Pedro Aspe, highlighted in the opening ceremony that the increase in capital will guarantee continued IDB loans at a rate of \$7.5 billion a year.

Aspe said: "Once we achieve repayment, we have urgent, unpostponable tasks ahead; that is, to create jobs and to fight extreme poverty."

According to the IDB's annual report, there are approximately 200 million Latin Americans living in poverty; in other words, 46 percent of the population, which means a 2.5 percent increase compared to a year as recent as 1986.

Mexico's Salinas Opens Assembly

PA1304043494 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 12 Apr 94

[From the "Early Morning" newscast]

[Text] The meeting of Inter-American Development Bank (IDB) governors has begun in Guadalajara. They talked about economic growth and the fight against poverty as requirements for political stabilization and a more just society. Patricia Gutierrez has filed a report:

[Begin recording] [Gutierrez] As the 20th century comes to an end and as we approach the threshold of a new millennium, no country is immune to events that shape politics and economics at a world level. This is what President Carlos Salinas de Gortari said as he opened the IDB governors assembly.

[Salinas] As we look forward, we must start facing the challenges common to all nations: the head-on fight against poverty; a solution to the world dilemma of creating and ensuring employment; the construction of a strong and lasting democracy; the protection and preservation of our natural and cultural resources; and the endless fight against a criminal force—drug trafficking.

[Gutierrez] Before the 46 IDB governors and hundreds of representatives from financial institutions and governments of many nations, the Mexican head of state stressed his commitment to contributing to the creation of more just societies, more efficient economies, and stronger and more democratic institutions.

Pedro Aspe, finance and public credit secretary who also attended the meeting, said there are no deviations from the path the country has chosen to follow. He said: We believe investors will continue to have a long-term vision to ensure the viability and permanence of economic recovery. He maintained national unity prevailed during the painful, difficult, and unexpected situations Mexico experienced during the first few months of the year. [end recording]

Cuba**Robaina Meets Peruvian Minister of Industry***FL1304020894 Havana Radio Rebelde Network in Spanish 2300 GMT 12 Apr 94*

[Excerpts] [passage omitted] Cuban Foreign Minister Roberto Robaina met on 12 April with Peruvian Minister of Industry Liliana Canales [title and name as heard] to discuss issues of mutual concern. Canales inquired about the various sectors of the Cuban economy open to foreign investments where Peruvian investors could get quickly involved, and confirmed her plans to visit Havana as soon as possible. She will be accompanied by a group of Peruvian businessmen who will have a definite set of proposals ready for the relevant Cuban organizations and authorities.

Robaina also met with several solidarity groups. [passage omitted]

Robaina's visit served further to confirm that Peru's Minister of Public Health and Minister of Industry, accompanied by businessmen, will visit Havana in the very near future.

Concludes Visit To Peru*FL1204200194 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 94*

[Text] Cuban Foreign Minister Roberto Robaina concluded his intense work schedule in Peru as part of a South American tour on which he discussed the reality and prospects of our country. During his stay in Lima, Robaina held numerous news conferences with local and international media, during which he spoke about the Cuban reality.

To Meet With Argentine President*FL1304013794 Havana Radio Reloj Network in Spanish 1932 GMT 12 Apr 94*

[Text] Foreign Minister Roberto Robaina, who is visiting several South American nations, will meet on 13 April with President Carlos Saul Menem at the beginning of a two-day official trip to Argentina. Robaina stopped briefly in Argentina over the weekend and met with Argentine Foreign Minister Guido di Tella to discuss international and bilateral issues. Robaina already visited Uruguay and Peru.

According to the official agenda, Robaina will meet on 13 April with Menem following a meeting with the plenum of the Argentine Senate, headed by Eduardo Menem. Robaina also will conduct a courtesy visit to interim Foreign Minister Fernando Petrella since Di Tella is abroad, and will lay a wreath at the monument of national liberator Jose de San Martin. Also on 13 April, the Buenos Aires City Council will confer on Robaina the title of Illustrious Visitor.

On 14 April, Robaina will give an address on investment and trade with Cuba to members of Argentina's Chamber of Commerce and Industry. Robaina will also meet with Deputy Economy Minister Carlos Sanchez and will conduct a second work meeting at the Argentine Foreign Ministry.

Robaina's trip to Argentina will conclude with a public event organized by friendship and solidarity groups, which demand respect for Cuba's self-determination and lifting of the U.S. blockade of Cuba.

Agricultural Cooperation Accord Signed With FAO*FL1204132994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 12 Apr 94*

[Excerpt] A project for agricultural cooperation was signed today, in Havana, between Cuba and the UN Food and Agricultural Organization [FAO], providing research data and technical training for Cuban specialists and allowing the development of a sustainable agriculture. The agreement was signed by Raul Taladrid, vice president of the State Committee for Economic Cooperation, and (Augusto Simoez Lopes), FAO representative in Cuba. It includes the use of biological fertilizers and pesticides and is valued at \$100,000. The agreement will become effective in May at the Higher Institute of Agricultural and Animal Sciences of Havana. [passage omitted]

Gen. Batista Makes Visit to Sancti Spiritus*FL1204133094 Havana Radio Rebelde Network in Spanish 0900 GMT 12 Apr 94*

[Text] On concluding an overall control visit to the Committees for the Defense of the Revolution [CDR] in Sancti Spiritus, Division General Sixto Batista Santana, national coordinator of the CDR and member of the Cuban Communist Party Central Committee, said that the moral and political status of the people of Sancti Spiritus is satisfactory.

Gen. Batista added that the CDR members resolutely support the need to adopt measures to streamline the country's finances. He also stressed the province's effort to fulfill the current sugar harvest plan.

Gen. Batista said that Sancti Spiritus has increased the flow of currency into the country through tourism and through the efficient work of the people.

Alarcon, Rizo Praise Feats of Military Unit*FL1204141994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 12 Apr 94*

[Text] Politburo member Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], gave the heroic deed banner to sugar workers of the Sierra de Cubitas Agroindustrial Complex in Ciego de Avila Province in recognition of their outstanding work. The sugar mill was ready to

begin operations in just eight days after intense 18-hour work shifts. The repairs will allow the plant to overcome the delays of the present harvest.

Alarcon de Quesada also participated in the provincial analysis of the potato harvest, which will be completed within hours with the harvest of more than 150,000 quintals of tubers, despite plant disease infestations.

Ricardo Alarcon and Politburo member Julian Rizo Alvarez, first secretary of the party in Camaguey, praised combatants of the 1390 military unit, which became the most productive force in the current campaign with the collection of 40,000 quintals of potatoes.

[Begin Alarcon recording] In accomplishing this, you have carried out one of the orders of the commander in chief and the minister of the Revolutionary Armed Forces, which at the moment is a very important mission for all revolutionary combatants. In addition, you were able to lead our people because you have demonstrated the historic (?courage) of our glorious Revolutionary Armed Forces. [end recording]

Commentary Explains Tourism Ministry Structure

FL1304021694 Havana Radio Rebelde Network in Spanish 2300 GMT 12 Apr 94

[Commentary by Fernando Davalos: "Tourism in the Forefront"—live]

[Text] A workshop for journalists and advertising people was held recently in Havana. In it, the new structure for the Cuban tourism sector was announced. When I say structure, I mean tourism's managerial system and its operational concepts.

Osmany Cienfuegos, vice president of the Council of Ministers, who has for years directed this strategic endeavor, explained the gradual functioning of this sector from now on—specifically, from 1 April on.

I want to discuss the operational principles—the ideas upon which these tourism enterprises are based: The highest quality hotels—four- and five-star hotels—are grouped in the Gran Caribe chain; three-star hotels belong to the Horizonte chain; and those for Cuban tourism to the Isla Azul chain. The interesting thing is that these chains are merely hotel chains. In other words, they are specialized in the operation of their hotels, and if they need rental cars, will contact Transtur; if supplies, Abatur; if advertising, Publicitur; and so on. Thus, they can direct all their energies to manage the hotels without having to manage ancillary services, which on many occasions affect their profits and efficiency.

Every region, perhaps every province, on the basis of its tourism facilities, excluding hotels, will create a recreation and tourism enterprise to exploit every resource in the region for the entertainment of visitors: for example, restaurants, parks, fishing or hunting preserves, museums, theaters, et cetera.

Something I have yet to mention, although it is inferred, is that the new Cuban tourism structure will be guided by a new ministry. However, as Osmany Cienfuegos said: It will be a small ministry, perhaps 50 or 60 people, not responsible for the management of anything, but in charge of setting the pace to improve performance.

Cienfuegos stated that if, for example, it is necessary to have ministry representation in a province, it will consist of only three people: the delegate, a secretary, a driver, and nothing else because nothing else is needed to guide or set the pace. This has to be this way because if we minimize personnel at the root level—the hotels and tourism services—we are not then going to create a super ministry full of people.

Tourism, as Cuba's strategic front, remains thus in the forefront.

Sugar Minister Stresses Importance of Efforts

FL1304013694 Havana Radio Rebelde Network in Spanish 2300 GMT 12 Apr 94

[Text] On 12 April, Sugar Minister Nelson Torres stated that the remaining part of April is decisive for the sugarcane harvest and that we have to do everything possible, and more, to meet the production plan. He made this statement during a harvest emulation assessment over the last 10 days in the eastern provinces. Torres, who is also a member of the Politburo, added that the weather is helping; we therefore have to take advantage of it during the last 20 days of April and make the best effort in cutting and grinding with great efficiency.

Consensus on Price Adjustments Explained

94CA0091A Havana TRABAJADORES in Spanish 7 Mar 94 p 2

[Editorial: "Regarding Prices, Subsidies, and Economic Efficiency"]

[Text] The people's debates on efficiency and improving domestic finances will be over in just about a week. Now we can talk, without fear of error, of an ample number of proposals on which Cuban workers have reached consensus.

Some of these proposals concern price adjustments for specific products, like cigars and rum; they are primarily related to basic commodities for which coupon books are used for purchases.

For cigars, the formulas proposed have two basic variants: one favors eliminating all quotas, with the unrestricted sale of this product at a new price; and another advocates eliminating the additional quota (1.60), and keeping cigar prices unrestricted.

For rum, the majority of the people who expressed an opinion in the people's parliaments felt the price should be increased and it should be offered only on free sale.

These two items, which are not necessities, no matter how much many people do need them, have the potential to attract foreign currency in an amount that could reach 4 billion pesos a year, if Cuba were to ensure a sufficient production of both items so they could be sold without restrictions.

For essential goods which are now subsidized, the workers' meetings frequently suggested new prices that would at least cover production costs.

At the present time the subsidies included in these prices may be calculated at about 400 million pesos a year; the 1993 budget deficit was 10 times larger.

This means that, financially speaking, the contribution that cigars and rum could make toward a healthy budget is much greater. The price adjustment for essential goods, assuming that it were applied to all subsidized items, would not be decisive, though it would make a significant contribution.

At this point, it is wise to emphasize one point in order to avoid misinterpretations of what we are saying. Consensus does not mean unanimity, and consensus approval does not mean there is no dissent on this or that aspect of a given issue.

This is also the right time to say that the existence of popular consensus on a broad group of possible measures does not mean they will definitely be applied immediately. It is the responsibility of the People's Government National Assembly and of other high-level government bodies to decide which are the most appropriate and possible measures, with what dynamism and intensity they should be applied, and how they should be implemented so that they will have an impact on the economy in a harmonious and interrelated manner, so they will become part of the system and not enter the financial universe in isolation.

But whether or not all the measures the workers have recommended on prices are adopted immediately is not the most important thing. The essential is that the problem of prices is beginning to become a part of our national economic awareness.

For years, partly because of lack of foresight and partly because the Cuban economy was integrated in an international trade system that was essentially fair and certain, the problem of prices, both domestic and foreign prices, was something that did not concern the population.

Just remember: the price of sugar in what was called the world market, an issue that had earlier obsessed our grandparents, was barely of interest to specialists.

For domestic prices, it was often true that we consumers paid for products without even bothering to find out the unit price of the items we were buying.

Now we are beginning to realize that we have to pay much more attention to economic laws if we are going to

keep our economy a socialist economy. And we can understand that prices are a leading instrument for restructuring our economy that has been forced by circumstances to become a part of an external world that is absolutely driven by market laws.

No matter what measures may emerge from the next session of the People's Government National Assembly, it is extremely important for people to understand that when they buy a pound of black beans at the retail price, it costs the state 50 centavos, while the consumer buys it for 30.

Something similar takes place with almost all grains, dairy, and meat products, coffee, bread, fuels, and other items. Of 30 essential household items, over 20 are subsidized by the state.

Here we are speaking of merchandise whose real costs could be estimated in freely convertible currency, as these items are mostly acquired abroad. In this world of prices, both the prices paid by the population and those used in the business economy, we need to become more aware and realize that everything we consume, everything we see around us that is produced by labor, in the end has a specific cost in convertible currency.

This will force us to make a much greater effort to increase the correlation between real costs and prices, while not overlooking the fact that in the future it will be virtually impossible to keep prices immobile, which was the normal practice during the last three decades.

But this does not mean we are advocating that this correlation in retail prices should be reached suddenly and automatically. Prices paid by the people in our socialist society will always be a means used to promote the just and equitable distribution of social production; this is not to be confused with egalitarianism.

The workers are asking that people whose incomes are too low for them to pay the regular prices be subsidized, in order to avoid having the state subsidize everyone in an egalitarian system.

Paradoxically, subsidized prices benefit both the money hoarder and the retiree, and both the idler and the model worker.

The workers want this to come to an end. They know this is a process. They know it will take time. They agree that sacrifices will have to be made, but they have confidence that, in prices as well as in other areas, we will achieve rationality and efficiency.

Raul Castro Greet Cane Combine Operators

FL1304021794 Havana Cuba Vision Network in Spanish 0000 GMT 13 Apr 94

[Text] Army General Raul Castro, minister of the FAR [Revolutionary Armed Forces], has sent a letter of recognition to the 164 combine operators who attained Millionaire status during the current harvest. In his

letter, Raul recalled how, when the cane combine appeared on the scene, it replaced 220,000 canecutters who used to do the difficult manual cutting during every harvest; and he stressed that the combine operators in question are the worthy heirs of those forerunners of 30 years ago, and champions of mechanization.

Reporter Interviews Unlicensed Taxi Driver

FL1204154194 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Apr 94

[First of a series of reports by journalist Carlos Santana Ojeda on unlicensed private taxi drivers in Havana; date not given—recorded]

[Text] [Santana] Beginning today, I would like to report on a journalistic research project that is intended to shed some light on the work of private drivers who provide services to tourists, especially at hotels. This situation is really alarming. Tourists usually would rather hire private taxis rather than licensed taxis. Why is this? Is the work done by one or the other more or less efficient? These are questions I intend to answer, one way or another, during the course of this research within the next few days. I want to begin by interviewing a private driver, one of those who are usually called pirates.

[Unidentified driver] No. I am a hired driver.

[Santana] A driver hired by whom?

[Driver] Hired by tourists staying in this hotel.

[Santana] And how can you do this forbidden work?

[Driver] Well, we know that many things are forbidden here; but we have to do it.

[Santana] How do you do this work?

[Driver] We wait for tourists who leave the hotel and are looking for a taxi to go somewhere in town. We propose the trip to them and they agree to hire us.

[Santana] What proposals do you make? Just the price?

[Driver] No. In addition to the price proposal, which is much lower than that of the taxi driver, we also propose a trip through town, to take them to special places.

[Santana] Do you establish fixed prices or do the prices vary?

[Driver] The price depends on where they want to go in the Havana downtown area.

[Santana] Are the prices low or high?

[Driver] Our prices are much lower than those of taxi drivers.

[Santana] And are you aware of the prices charged by the taxi drivers?

[Driver] Sure, we know the prices charged by taxi drivers.

[Santana] Are there many private drivers like you working in front of the hotels?

[Driver] There are a few of us.

[Santana] And you surely charge the tourists in dollars, because the tourists do not have Cuban pesos. What do you do with the dollars?

[Driver] I use the dollars to buy things that are not found in the market—soap, oil, and other things not found in the (state stores).

[Santana] Where do you buy those items you need?

[Driver] I buy them on the street, on the black market where they are much cheaper than in the state stores.

[Santana] Do you have children?

[Driver] Yes, I have three children.

[Santana] What do your children do?

[Driver] They study. They are still in school.

[Santana] What is your name?

[Driver] Well, you told me that this would be an interview without giving names. If I tell you my name, you might (words indistinct).

[Santana] Where do you work and what is your profession?

[Driver] I am not going to tell you my name or where I work. But I am an engineer.

[Santana] And what would you prefer to be called: engineer or driver?

[Driver] For the time being, because of the work I am doing, I would rather be called a driver.

[Santana] These remarks by this private driver give you an idea of the nature of the work and how it affects the economy of taxi drivers. It is obvious that the currency they earn is outside the country's funds and therefore is not reinvested in social programs like health and education. Tomorrow, I will continue this work by discussing the subject from the point of view of the official taxi drivers, so we can draw our conclusions on the causes of this problem.

Dominican Republic

General Monitoring Haitian Border Dismissed

PA1304023994 Madrid EFE in Spanish 0042 GMT 13 Apr 94

[Text] Santo Domingo, 12 Apr (EFE)—The Dominican Army dismissed General Aurelio del Rosario Polanco on

12 April and appointed Tommy Fernandez Alarcon to monitor communities on the Dominican border to prevent the trafficking of fuel to Haiti.

The replacement took place after del Rosario objected to the presence of international observers in Dominican territory.

Army Chief Major Gen. Ivan Hernandez Oleaga ordered the dismissal. The Army has been monitoring the border area since 11 April.

Del Rosario assumed responsibility of commanding the military garrisons 15 days ago as the Dominican measures to strengthen the UN-imposed embargo against the Haitian military coupists toughened.

Hernandez is in charge of an operation to restrict the trafficking of fuel to Haiti at the Dominican border.

The presence of Haitians in Dominican communities has decreased since the military officer's arrival at the border, because they fear arrest by Dominican military agents.

As fewer Haitians cross the border, Dominicans stand in long lines to buy fuel which later will be illegally traded with Haitians.

The Armed Forces reported this week more than 10,000 Dominican agents are guarding the border to prevent the trafficking of fuel.

The surveillance of the Dominican-Haitian border increased three weeks ago after the meetings Dominican President Joaquin Balaguer held with U.S. officials.

In addition, the Dominican Government is trying to silence an international campaign accusing it of violating the embargo on the neighboring country.

Haiti

Deputies Take No Official Stand on Senate Resolution

FL1204233594 Port-au-Prince Radio Metropole in French 1045 GMT 12 Apr 94

[Excerpts] There is still no reaction from the Chamber of Deputies more than 24 hours after the vote on application of Article 149 of the Constitution by the Senate office led by Senator Bernard Sansaricq. Some deputies have begun to react to this proposal by the Senate. Edner Jean, after questioning some Haitian deputies on 11 April, filed this report:

[Begin Jean recording] First of all, the president of the Chamber of Deputies was in a stew on 11 April because the office of Bernard Sansaricq not only disregarded his warnings, but forced the parliamentary gates in order to hold their exceptional session on 10 April. In fact, it was by breaking into the parliament, blowing up the institution's lockers, that the 18 January elected senators were

able to enter the Legislative Palace. After the session, in the euphoria of the moment and the satisfaction of an accomplished feat, they did not even take the time to close the doors behind them, leaving the parliament's premises open to the night. In response to this, President Monde was so angry that he could not stay in his office on 11 April.

We were able to make contact with the few deputies present in the Legislative Palace, and please understand that the legislators of the lower chamber have not budged one inch from their official position, meaning they simply reject any solution that does not take into account the interests of the various parties involved in the crisis.

National Front for Change and Democracy, FNCD, Deputy Serge Jean-Louis did not hesitate to say that the men Senator Bernard Sansaricq is leading are irresponsible men. [passage omitted] We learned from reliable sources that the BP-FNCD will, within the next few hours, publicly issue its common position on this decision. The same is true for the socialists, who have been in consultation since 11 April. Everything leads us to believe that those political blocs are simply going to renew their support for the parliamentary plan, as pointed out by Deputy Milou Laguerre, a veteran among the deputies, who confessed to Radio Metropole that he does not know much. [passage omitted]

The decision, unanimously reached by the office of Bernard Sansaricq, could, however, receive the support of some deputies. But there again, nothing is really relinquished to Bernard Sansaricq because those deputies seem to want to impose their own conditions. [passage omitted]

All things considered, the deputies might need to take a stand during their Tuesday session on this resolution proposed by the branch of the Senate led by Sen. Bernard Sansaricq. [end recording]

Monde Expresses Doubts About Deputies' Ratification

FL1304004794 Port-au-Prince Radio Metropole in French 1600 GMT 12 Apr 94

[Passages within quotation marks in Creole]

[Text] The official text of the resolution voted in the Senate on 10 April was submitted to the House of Deputies today. The president of the lower chamber, Frantz Robert Monde, has some serious reservations on the resolution. According to Monde, this resolution does not have much chance of being ratified by the deputies' assembly.

[Begin recording] [Monde] "The reactions that I gathered from some deputies proved that they felt humiliated and indignant, frustrated with the behavior of some senators who treat them as children. They do not agree at all, and they even ask this morning, [word indistinct] of the Senate, saying that this building, which was built by

Duvalier for the Chamber of Deputies, is a building that was lent to them to hold the sessions, and that the vile show that they offered us does not accommodate the good relations that should exist between senators and deputies. The wise ones did not give this example, but asked that we take the building back to be used as a committee room.

[Francois] "Do you think that it is a realistic plan?"

[Monde] "In my humble opinion, what is the objective of these men?" These gentlemen want to have a new government, a new Dessalines; I do not even say a new Toussaint Louverture—Toussaint was a very flexible man who played with the great powers; Dessalines said this is my country, and I am leading it. Do those men have the will to do it? Will they find this new Dessalines? Because my experience taught me that there is more than one trend [word indistinct]. There is a greater tendency to have ministers as friends. It is to occupy the realm of power. Thus, I have a big question mark. In any case, we are going to begin talking and see as soon as possible what to do so we can endow the country with a government. [end recording]

CONACOM Disagrees With Resolution

FL1304002994 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Apr 94

[Excerpts] Within the scope of reactions to the implementation of Article 149 of the Constitution, the National Congress of Democratic Movements [CONACOM], one of the two rival branches of Haitian socialism, called on Haitians on 11 April to mobilize in order to prevent the implementation of Article 149 of the Constitution. [passage omitted] Let us listen to the explanations of Dunois Eric Cantave, the person in charge of political affairs in CONACOM.

[Begin Cantave recording, in Creole] Personally, I will say that I understand them, but I do not agree with them. I understand them because everybody in the country is tired of the crisis. Everybody is tired of the status quo and the wait-and-see policy that prevails. The country's economy has gone to ruin. The middle classes are exhausted. Regarding the people, the most serious thing that can happen to them is repression, starvation, death through a lack of care. Everybody is fatigued. It is normal and it is [word indistinct] that citizens are proposing initiatives, but I do not agree with the methods they are using, methods using threats, and through which they violate a pact that was signed and which provided that those who were elected in the 18 January [1993] elections should step aside until the arbitration committee offers a verdict on their case.

I disagree especially because, as we in CONACOM always say, the solution must take into account first President Aristide and all those who were regularly elected in the country. Second, it must take into account the military institution that is the keeper of public order and which is also one of the protagonists in the crisis.

Third, it must take into account what we call the international community, an unavoidable economic partner. [end recording]

The only consequence of such a strategy would be the exaggerated extension of the embargo that has had hard effects on the majority of the social body, while making a minority rich; and the prolongation of the logic of coup d'etat with all that that involves, such as threats against the national institutions, social frustrations, and repressions throughout the country, CONACOM says.

Aristide Spokesman Denounces Move

FL1204214494 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Apr 94

[Excerpt] [passage omitted] The implementation of Article 149 of the Constitution does not have a future, according to Jean-Claude Martineau, spokesman for President Jean-Bertrand Aristide. Martineau said this is a return to the Nerette-Bazin method. Ever since the September 1991 coup d'etat, the country has been led only by General Raoul Cedras and [Lieutenant] Colonel Michel Francois, Martineau states:

[Begin Martineau recording, in Creole] This is not the first time men have tried to establish an unconstitutional government. They did it with Nerette and Honorat. Then they did it with Bazin. In fact, all these things are maneuvers, but everybody knows that the true head of the country is the Army. I (?see) those men bustling about; I do not know what they hope to achieve. In fact, [words indistinct]. It seems that in their minds, this Constitution has been shelved for a long time. So we will see—if they succeed in setting up a government—whether they have more power than Nerette, Honorat, or Bazin because we know that only Cedras and Michel Francois are governing. [end recording]

Civilian Mission, Rights Group on Victimization

FL1304001494 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Apr 94

[Text] After 30 months of crisis, the deadlock among the Haitian factions looks complete, while the list of victims of repression and of the embargo grows longer everyday. A hypothetical negotiated solution was further postponed by a vote on 10 April for implementation of Article 149 of the Constitution by one of the antagonistic blocs in the Senate. This Senate bloc is not acknowledged by the international community. The article they propose provides for the appointment of a provisional president and new general elections, which must result in the installation of a new president on 7 February 1995.

Washington has already warned that this kind of solution is not acceptable. The United States and the United Nations is still supporting a parliamentary compromise inspired by the Governors Island agreement and widely approved by the moderate deputies supporting President Jean-Bertrand Aristide, by the socialists, and the centrists.

President Aristide has rejected this plan. Despite parliamentary and diplomatic pressures, the Senate bloc acknowledged by the international community and presided over by Senator Firmin Jean-Louis, who is close to the president-in-exile, has so far not approved it, provoking a vacuum that is being exploited by the bloc of adversaries of the president headed by Sen. Bernard Sansaricq. The latter spoke of a letter from the military high command acknowledging him as legitimate president of the Senate. This document has so far not been made public. Neither has the Army taken an official stand on this parliamentary issue. Its chief, General Raoul Cedras, has always, since the beginning of the crisis, found a way out, allowing the military institution to save face and to preserve its unity.

While awaiting a solution in which fewer and fewer Haitians believe, the gruesome detailed accounts by victims of repression, partisans of Father Aristide, and victims of the international sanctions, are increasing daily. According to the latest figures, communicated to AFP by the international civilian mission in charge of ensuring that human rights are respected in the country, 111 cases of extrajudicial execution and suspicious death were recorded in Port-au-Prince between February and March. Six similar cases were already recorded between 1 and 10 April.

The mission has also denounced the existence of clandestine detention centers and cases of rape of a political nature. For the same period, the Haitian Platform of Human Rights (Plateforme Haitienne des Droits Humains), PHDH, which encompasses several organizations, has reported 162 people wounded by gunshot or beatings; 153 illegal arrests, and 297 cases of illegal search or destruction of property belonging to individuals or organizations. The civilian mission and the PHDH accuse civilian police auxiliaries; members of the Revolutionary Front for the Promotion and Progress of Haiti, the main neo-Duvalierist formation, which has rejected these accusations; and the Armed Forces.

A doctor, who wishes to remain anonymous, told AFP that an average of 12 people are admitted to the Port-au-Prince general hospital with gunshot wounds (?per day), where the sanitary conditions, previously precarious, are now disastrous. Half of these survive surgical operations, according to this doctor.

The victims of the international commercial embargo, effective since October 1991 and intensified in 1993 by an oil embargo that has quickly affected the most deprived members of the least advanced country in the American hemisphere, have added to this assessment.

The sanctions have created over 10,000 victims within the most vulnerable groups, including women, children, the elderly, and the ill, according to independent religious and humanitarian organization officials who wish to remain anonymous. One of them, a priest working for 34 years in peasant circles, has denounced the tragic continuation of a collective punishment for the poorest of people, and the morally inadmissible use by the international community of the suffering and death of thousands of children for political ends.

Clandestine Radio Blames U.S. for Coup d'Etat

FL1204221094 (Clandestine) Radio Soley Leve in Creole 0130 GMT 12 Apr 94

[Unattributed commentary]

[Excerpts] Where is our hope? All Haitians who are lucky enough to still be alive today, who have not been shot down, and who have not been abducted by military or civilian police auxiliaries must know the fundamental reason our country is experiencing such a bad situation. What is now happening allows everyone to clearly see that the criminal 30 September 1991 coup d'etat was a master plot hatched by the imperialistic countries, especially the United States and the bourgeoisie under the command of the United States and its [word indistinct] Army, which is always there to make [words indistinct] execute to the letter all the orders of the United States. This is why nobody should be surprised at seeing the unscrupulous Army and numerous civilian police auxiliaries—who are drug dealers, rapists, assassins, and thugs—have fun pitilessly assassinating those who have decided for one reason or another to struggle against this criminal and repressive system. [passage omitted]

The coup d'etat has taught the people a big lesson: Today, the people know who are their friends and who are enemies, as well as who the hypocrites are. If the people's enemies have put them in a situation from which they cannot defend their freedom, their rights, and their lives today, it is not because they have resigned themselves. On the contrary, the people already know—just like all other people on earth who are struggling for their liberation—that in all battles, there are good moments and bad moments. Nobody will tell us that we are now experiencing bad moments. We see how many people, who pretend to side with us, have used those bad moments to harm us even further, to make us suffer more. But we promise them one thing: We have a good memory; we will never forget. The time has come for us to think about the struggle for liberation, the battle for the true democracy we need. [music by Manno Charlemagne] [passage omitted]

Ranchers Reportedly Kidnap Human Rights Group Head

PA1204144094 Mexico City NOTIMEX in Spanish
0518 GMT 12 Apr 94

[Text] Comitán, 11 Apr (NOTIMEX)—A human rights association reported on 11 April the alleged kidnapping of their president by ranchers, and requested the intervention of Chiapas Governor Javier Lopez Moreno.

Candelaria Alfaro Garcia, the organization's spokeswoman, said that Enrique Perez Lopez, president of the South-Southeastern Human Rights Association, was reportedly kidnapped by 80 cattlemen at La Piedad Farm, Chicomucelo Municipality. The source added that Perez Lopez was forced aboard a truck on Sunday and taken to La Florecita Farm, Chicomucelo. His whereabouts are unknown.

The local human rights ombudsman [words indistinct] was kidnapped after he accepted an invitation to visit La Piedad Farm, where ranchers are accused of violating peasants' rights.

The charge was filed in the Chiapas town of Comitán, about 1,400 km southeast [words indistinct] of Mexico City and about 200 km from the region of Los Altos, where an armed group emerged on 1 January.

Peasants and Indians have trespassed on land belonging to large landowners since the appearance of the Zapatist National Liberation Front and during the peace talks between this group and Peace Commissioner Manuel Camacho Solis.

The human rights organization on Monday sent a letter to Governor Lopez Moreno to plead for the release of Perez Lopez and to urge the state Attorney General's Office to punish the alleged kidnappers.

Spokeswoman Alfaro Garcia added that the presumed kidnappers are Guillermo Ruiz, Manuel and Arturo Velazco, Amin Garcia, and Corazon Lopez, among others. Meanwhile, the state Attorney General's Office pointed out that it is about to Perez Lopez. [sentence as received]

PRD Members Occupy Guerrero Mayor's Office

PA1204153494 Mexico City Canal 13 Television Azteca
Network in Spanish 1350 GMT 12 Apr 94

[Report by Enrique Gutierrez from the "Early Morning" newscast]

[Text] Nearly 100 members of the Party of the Democratic Revolution [PRD] have occupied the Coyuca de Benitez Municipal Office in Guerrero State to demand, among other things, clean municipal elections and lower water and electricity rates.

Members of the so-called Peasant Organization of the Sierra Madre of the South [Organizacion Campesina de

la Sierra Madre del Sur], affiliated with the PRD, occupied the Coyuca de Benitez Municipal Office in Guerrero State on the morning of 11 April. The PRD members, headed by Bartolo Guzman Martinez, held Mayor Jose Serna and four other municipal employees hostage.

Municipal Council Chairman Jesus Herrera Velez continues to work from a private home while the PRD members demand that he come to the municipal offices. The demonstrators are demanding fair municipal elections as well as a decrease in water and electricity rates.

Salinas Vows To Reverse Peasants' Isolation, Poverty

PA1204231294 Mexico City Canal 13 Television Azteca
Network in Spanish 1300 GMT 11 Apr 94

[From the "Early Morning" newscast]

[Text] In Morelos State on 10 April, Mexican President Carlos Salinas de Gortari presided over the 75th anniversary commemorating the death of southern caudillo Emiliano Zapata.

Thousands of peasants attended the commemoration. Salinas pledged to do more justice to the Mexican peasant sector and vowed to reverse the peasants' isolation and poverty. He said the ejido will be reinforced as the fundamental expression of social property in the country.

[Begin Salinas recording] We will do it, because Zapata's struggle is alive. Zapata lives and keeps fighting and demanding more justice, more respect, and more consideration for Mexican peasants. [end recording]

In Morelos, Zapata's birthplace, Salinas said changes to constitutional Article 27 meet the peasants' demand for legal ownership of their lands and freedom to work them.

[Begin Salinas recording] Large land owners will not reappear. They have already disappeared from our homeland's history. [end recording]

Salinas delivered checks for direct aid to peasants for the 1993 to 1994 fall-winter crop cycle. Financial aid was delivered to 35,000 peasants throughout the country. Under the Prorural Areas Program, more than 100 million pesos have been doled out so far to assist 82,000 peasants. Salinas handed over ejido rights certificates and spoke about the agricultural sector's due loans, 70 percent of which will be refinanced with commercial banks. The president stressed the importance of these measures but admitted they are not enough.

[Begin Salinas recording] We must reverse the isolation and poverty we are still confronting in many rural areas. [end recording]

Police Suggest Colosio Shot With 2 Different Guns*PA1204223194 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 11 Apr 94*

[From the "Early Morning" newscast]

[Text] In Tijuana, Baja California, Dr. Gustavo Salazar Fernandez, the legal medical expert who performed the autopsy on Luis Donaldo Colosio, said that the bullets that killed the former PRI [Institutional Revolutionary Party] presidential candidate were fired from different weapons. Gerardo Segura filed this report from Tijuana, Baja California:

[Segura] Two people may be implicated in the assassination of Luis Donaldo Colosio. According to reports disclosed by Federal Judicial Police agents present on the day of the murder, the bullet fired at the head of the PRI candidate was different from the one that hit the abdomen. They stated that the bullet in the skull destroyed a large amount of brain because it fragmented, contrary to the one in the abdomen, which did not seriously damage the internal organs.

The informants, who in light of the current events asked to remain anonymous, expressed their distrust in the official report. Given this situation, Dr. Gustavo Salazar Fernandez, legal medical expert, affirmed that the autopsy performed on Colosio did not establish whether one or two firearms were used for the attack.

[Begin Salazar recording] We recover projectiles left inside the body, if any, or state if there was fragmentation. It is impossible to retrieve them in each and every case. The autopsy report does not officially establish the caliber of the projectile. This is done by special request of a prosecutor or at a given time when the ballistic tests are performed.

From a strictly medical viewpoint, we try to be descriptive. [end recording]

[Segura] Salazar added, however, that it is possible that two different guns may have been used by two different perpetrators, but the exhumation and new inspections of the body would not provide sufficient evidence to confirm or support such hypotheses.

Informants of the Federal Judicial Police said that the second shot may have come from the person who dove at the feet of Luis Donaldo Colosio. Authorities are still searching for that person.

PAN Presidential Candidate Fernandez Interviewed*PA1304034494*

[Editorial Report] Mexico City Radio ACIR Network in Spanish at 0000 GMT on 8 April broadcasts live, during its "ACIR Radio News" newscast, an interview with Diego Fernandez de Cevallos, presidential candidate of Mexico's National Action Party, PAN, by an unidentified interviewer.

After commenting on the pre-election political campaign and the assassination of Institutional Revolutionary Party, PRI, presidential candidate Luis Donaldo Colosio, Fernandez says should he win the elections, he would include members of other parties in his cabinet, "not only PAN members, not at all. I would have to firmly adhere to my ideas and appoint to the topmost positions of public administration individuals who belong to other parties or no party in particular. There are academicians, industrialists, ranchers, and peasants who could hold various positions in the government who are more knowledgeable than many politicians who would like to hold all the positions and pretend to be good for anything." He expresses disagreement with the PRI, whose members, he says, "seem to be so versatile that they are appointed to any position."

Asked about his party's economic platform, Fernandez says: "PAN's economic proposal is broad and firm. We admit several of the current government's macroeconomic measures have been positive. No one can deny restructuring the state's finances as well as reordering, reducing, and renegotiating Mexico's foreign debt, attempting to reduce inflation considerably, and trimming the government apparatus by selling many enterprises that should have never been purchased in the first place are positive." He says the government has polarized the country's economic life by making the rich richer and the rest poorer. PAN proposes, he says, "a social market economic system, which consists of prioritizing labor over capital. Labor must be protected, but it must be kept in mind that labor requires capital. A key issue is the millions of unemployed and underemployed in Mexico." Fernandez says permanent, well-paying jobs are required, which would be created through the creation of state-supported enterprises which would in turn "direct the economy, which supports those jobs. All this requires secure and productive investments. Another requirement is a legal guarantee investment protected by law. A third requirement is capital. Mexico does not have resources of its own to create enterprises and jobs," says Fernandez.

Resources must come from abroad, he adds. Mexico has failed in economic growth due to, he says, "the government's centralist, authoritarian policies. Mexico needs to create the necessary conditions for foreign capital investment on a long-term basis with sound infrastructure."

Fernandez, answering a caller's question on the low income of social security pensioners, says: "The parties have been discussing the issue, and PAN has proposed immediate measures to correct this situation."

The PAN candidate finally says he offers the Mexican people "a democratic alternative," and he invites all to participate "in an honest electoral campaign and clean elections."

Secretary Urges Resumption of Talks in Chiapas
PA1204222794 Mexico City XEW Television Network
in Spanish 0430 GMT 12 Apr 94

[From the "24 Hours" newscast]

[Text] In Mexico City, Social Development Secretary Carlos Rojas has said it is urgent that peace talks in Chiapas be resumed so that necessary aid can be channeled to Indian communities.

PRI Concedes State Faces Economic Problems
PA1204231994 Mexico City LA JORNADA in Spanish
6 Apr 94 p 17

[Article by Oscar Camacho Guzman]

[Text] The Institutional Revolutionary Party [PRI] has conceded during a Permanent Commission meeting that Mexico still faces "very serious" economic problems. The PRI also believes that despite the "efforts" taken in past years, the fact that 7 million Mexicans are unemployed is "alarming."

That statement was made during a brief debate held by the PRI faction with PRD [Party of the Democratic Revolution] legislators who have criticized the current administration's economic policy, the "forceful" conditions under which Mexico joined the Organization for Economic Cooperation and Development, and the \$6-billion line of credit the United States opened for Mexico following Luis Donaldo Colosio's assassination.

PRD Deputy Alejandro Encinas opened the debate by saying the announcement of Mexico joining the OECD "seeks to convey an air of optimism despite the overwhelming evidence that shows our nation's economic and social decline."

Encinas said this air of optimism also seeks to "stop the drain of capital, both local and foreign, as a result of the news" of Colosio's slaying.

Encinas criticized President Carlos Salinas de Gortari's announcement that Mexico had been accepted into the OECD as a full-fledged member when the country will not be admitted until 14 April, the date the OECD will issue its formal reply to the Mexican Government's petition.

Encinas said Mexico will have to make adjustments and changes in at least 38 economic fields including capital assets, services, the environment, foreign investment, agriculture, trade, and consumer protection policies, among others. He said, "Mexico is responsible, by joining the OECD, for consolidating a more thriving economy, which will lead to higher standards of living for Mexicans by incorporating the public into the job market, and, overall, for improving the economy."

He also said in order to join the OECD, a country must have a solvent market economy and a democratic government that respects human rights.

The PRD argues Mexico does not meet these conditions, and to illustrate the weakness of the current economic model, Encinas mentioned two incidents that followed Colosio's assassination.

First, he mentioned "to prevent the financial crack triggered by Colosio's slaying on 23 March, banks, exchange offices, and the stock market had to be closed to gain time and ask for foreign assistance."

Application of the "life-saving" mechanism, which consisted of the United States' establishing for Mexico a \$6-billion line of credit, followed shortly after.

Thus, Encinas added, "the Clinton administration's financial rescue of the Salinas government and the announcement of Mexico's membership in the OECD correspond to Washington's basic interests of national security rather than to the efficient results of the economic policy, although, for the current government, they constitute a fundamental step in regaining foreign investors' trust."

"The risks of a financial crack or a devaluation of the Mexican peso would spread their harmful effects through the interdependence between the Mexican and U.S. economies, given the commitments assumed by U.S. intermediaries in international markets with the issuance of Mexican currency. It is worth noting that U.S. pension and investment funds have invested considerable resources in these financial instruments and would incur losses in case of an additional upheaval in Mexico."

Finally, he said "the economic slowdown negatively affects jobs, salaries, small- and medium-sized industries; the foreign debt has increased, and speculative activities in financial markets are becoming more volatile, threatening to reduce international monetary reserves and maintain artificially high interest rates, given the false value of the Mexican peso."

PRI member Javier Garduno Perez took the podium to respond to Encinas' statements.

Garduno said Encinas' arguments resembled "a soap opera script in which the most horrible scenarios are forecast for the Mexican economy" rather than a first-rate debate.

Garduno claimed that because he did not believe Encinas' arguments were serious enough, he was not going to refer to them.

Garduno said "I only want to say the PRI has never come to this forum to tell rose-tinted stories and has never come here with demagoguery to manipulate distorted figures or use different scenarios and dates for comparison."

"We have always explained the economic situation is still unresolved, and that there are very serious problems, very serious. We have made substantial efforts in the past five years and have not established that an economic policy to achieve monetary stability is the main goal of the economic policy."

"We have said it is a means to achieve sustainable growth and to generate jobs, which are what we need at this time. Unemployment is the fundamental problem of this country and its economy. Job creation is one of the main issues the economic policy must carefully examine, because nearly 8 million Mexicans are jobless. This is alarming and concerns the PRI very much."

This is why he said that according to his party, efforts regarding economic policy must be heightened, especially in job creation, so that public funds can tackle social problems more efficiently and thus "deal a serious blow to the extreme poverty affecting millions of Mexicans."

To Reorganize Politics: Munoz Ledo

During yesterday's session, PRD national leader Porfirio Munoz Ledo demanded the cycle "of impunity, violence, and suppression that has unfortunately pervaded national politics in the past years" be closed as soon as possible. Munoz also urged that dialogue as a means to advance toward a truly democratic state be strengthened.

In this sense, he called for the resumption of multiparty dialogue in order to resolve unsettled aspects of electoral reform, including the electoral register, the media, absentee votes, the immediate implementation of reforms in the Federal District, independent nominations, and a more flexible alliance system. Munoz said all these reforms will help clear up any doubts about the PRI's trying to impose its candidate in the coming presidential elections.

PRI member Carlos Jimenez Macias has told Munoz his party respects and approves the commitments to improve the democratic system that were signed on 27 January.

In this regard, Jimenez Macias said Ernesto Zedillo Ponce de Leon, the new PRI presidential candidate, upholds the political will to increase and deepen the political dialogue so that all Mexicans will be sure the 21 August elections will be a process based on total respect of the will of every citizen."

Finance Secretary Views Deficit, Economic Recovery

PA1204034594 Mexico City XEW Television Network in Spanish 0430 GMT 9 Apr 94

[Report by Beatriz Garcia; from the "24 Hours" newscast]

[Text] There will be no 1994 fiscal deficit in Mexico despite the events in Chiapas and PRI [Institutional

Revolutionary Party] candidate Luis Donaldo Colosio's assassination, said Finance Secretary Pedro Aspe Armella. He has said the country's economic recovery began in November 1993.

[Begin Aspe recording] The agreement was ratified in November. The economy had reached a deadlock in October, and we already had a negative 3-percent drop in industrial production. Ratification of the agreement took place in November, and industrial production rose to 0 percent that month. Recovery began in December, and figures for the industrial sector in December show a 4.1-percent increase. The change was truly dramatic. [end recording]

Secretary Aspe has said even though the events in Chiapas and Mr. Colosio's death were reflected in the financial market, a progressive adjustment has occurred, and this has allowed us to withstand the situation. He said all the country's sectors reasserted their pledge with ratification of the pact for stability, competitiveness, and employment to continue with a gradual 3-percent economic recovery, a 7-percent inflation rate, which is less than last year's inflation, and a zero fiscal deficit.

Roundup of Economic Developments

PA1204222894

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 12 April.

The employment situation in Mexico is worsening. In 1993, unemployment or partial employment adversely affected 23 percent of the economically active population of 33.7 million. A report from the Bank of Mexico and other organizations indicates that in 1993 a total of 7.8 million people were unemployed or had part-time jobs. Jobs decreased between 1991 and 1993, and expectations for 1994 are grim. (Mexico City EL FINANCIERO in Spanish 5 April 94 pp 1, 24)

The National Banking Commission has reported that 3.1 percent of total credits granted by the banking system, 13.6 billion new pesos, cannot be recovered. The figure is 198-percent higher than that registered in December 1992. (Mexico City UNOMASUNO in Spanish 5 April 94 p 16)

Mexican foreign debt grew 6.9 percent last year, reaching \$105.7454 billion by the end of 1993. Banks and the private sector incurred debts with international financial institutions because they found it less expensive to seek financing in currencies other than the Mexican peso. International interest rates were three, four, and five times lower than local rates. (Mexico City EL FINANCIERO in Spanish 5 April 94 p 3A)

Productive investment in the country will be weak in the short run because direct foreign investment has dropped to 14.7 percent in 1993, down from 57 percent in 1990. Experts say foreign investment is stable; they do not

expect sudden changes this year although political events could hinder the growth of foreign investment. (Mexico City EL FINANCIERO in Spanish 6 April 94 p 3A)

Emilio Lozoya Thalman, energy, mines, and parastate industry secretary, reported on 5 April that during 1993 the production of copper, zinc, iron, and coal rose to its highest level this century. Gold and silver production was the highest in four or five decades, he said. Lozoya said Mexican mining is consolidating itself as a promoter of regional development. (Mexico City UNOMASUNO in Spanish 6 April 94 p 19)

Mexican Petroleum, PEMEX, reports that 1993 was one of the worst years for the world's petrochemical industry. PEMEX Petrochemicals suffered revenue losses totalling \$230 million. PEMEX management said the losses were due to falling international market prices. (Mexico City UNOMASUNO in Spanish 7 April 94 p 20)

The national Consumer Price Index increased 0.5 percent in March, as compared to February, for an overall increase of 1.81 percent during the first quarter of the year, the Bank of Mexico reported. (Mexico City NOTIMEX in Spanish 0410 GMT 8 April 94)

PEMEX reported today that at least 58 oil fields have been located in the past five years, which is 80-percent higher than the previous five-year period. (Madrid EFE in Spanish 2051 GMT 9 April 94)

Mexico has the second highest foreign debt in Latin America, second only to Brazil. The country's total foreign debt is \$118.894 billion, according to an Inter-American Development Bank, IDB, report. The Mexican foreign debt has grown 26 percent since 1989. The IDB report also indicates that the country's per capita GDP fell 1.2 percent in 1993 as compared to 1992. (Mexico City UNOMASUNO in Spanish 11 April 94 pp 1, 18)

During the first quarter of 1994, the country's workers received salary increases of under 4 percent as compared

to the same period last year, while wage increases stipulated in revised collective bargaining agreements only went up by less than 2 percent according to figures provided by the Metropolitan Association of Industrial Relations Executives. (Mexico City LA JORNADA in Spanish 11 April 94 p 22)

PEMEX confirmed today that it granted a contract to the Spanish company Mecanica de la Pena for the construction of a plant in Guanajuato for \$22 million for gasoline quality control improvement. PEMEX said the company won the contract in a bid last week. The new plant will have the capacity to store up to 3,440 barrels of gasoline per day. It will begin operations next year. (Mexico City NOTIMEX in Spanish 2137 GMT 11 April 94)

Boat Adrift With 83 Cubans Rescued

PA1204023894 Paris AFP in Spanish 2136 GMT 11 Apr 94

[Text] Chetumal, Mexico, 11 Apr (AFP)—The spokesman for Quintana Roo State told AFP on Monday a boat adrift with 83 Cubans on board, which had attempted to arrive in Miami (Florida), was rescued in Mexican waters and taken to Islas Mujeres.

The Cubans, 53 men, including three doctors, 16 children, and 14 women, had sailed from Cuba on 6 April and stopped at (?Grand Cays) Island for food and fuel.

Nevertheless, once they sailed from the island, the boat (54 meters long) developed a mechanical failure and went adrift until dawn Sunday when it entered Mexican waters.

On Monday the boat was towed to Islas Mujeres. The 83 Cubans will remain on board until immigration authorities decide what to do.

It is estimated this will take three days. During this time the Cubans will be held on board under detention and will not be allowed to go ashore.

Guatemala**President Speaks on Public Security**

PA1204132494 Guatemala City Radio and Television Networks in Spanish 0345 GMT 12 Apr 94

[Message to the nation by President Ramiro De Leon Carpio in Guatemala City on 11 April—live or recorded]

[Text] Dear Guatemalans: Accompanied by the government and national defense ministers, tonight I must announce to the Guatemalan people that public security is one of the country's main problems. Regardless of the solutions that may be found, it is necessary to guarantee full observance of the law and compliance with legal norms as fundamental principles in preserving the state of law.

I have therefore decided that the Government Ministry will have the support of the Defense Ministry in an effort to provide honest citizens with the security they have previously lacked so they can achieve their personal aspirations. I reaffirm the government's commitment to consolidate democracy and the state of law. I have ordered an immediate budget allocation for the civilian security forces that will allow them to readily acquire the necessary resources to fulfill their duty of safeguarding the lives, property, and interests of the Guatemalan people.

My government believes the security issue is critical. It is necessary for the Guatemalan people to support all initiatives to attain peace and security, especially by filing charges in a due and timely manner with the state's security organizations according to the procedure set forth by the Republic's laws.

It has never been so important for the people to regain their hopes of achieving real paths toward security. We must end the unfortunate tradition of police forces being incapable of resolving the problems that generate uncertainty and helplessness among citizens.

The current government is promoting these changes and it will not rest until they have been made. The authorities, however, cannot be left alone to achieve this national objective. All sectors must play their proper role. In this sense I want to ask for the media's cooperation to help us face this problem objectively by not listening to the sectors that are trying to destroy Guatemala's international image. It is also important to note, without trying to justify our current conditions, that another one of our unfortunate inheritances from previous administrations is the abandonment of the civilian security forces. Previous governments stripped them of vital resources and passively allowed their moral deterioration by condoning corruption.

I must also note a paradox. Now that we have a government that truly respects human rights, our opportunities to purchase equipment for the security forces have been limited abroad under the argument that the current

government does not respect these human rights. That is obviously not true because we are frequently accused of being extremely tolerant and of not taking the severe actions that some would like.

To return to the central part of my message, which is the decision to have the national defense minister support the government minister in providing public security, I must inform the national and international public that such a decision will be carried out according to the objectives of the Guatemalan Army as established in Article 244 of our political Constitution, which are to preserve national peace and security.

Continuous evaluation and analysis of the results will provide the necessary criterion on which to base the decision, in an extreme case, to establish a state of emergency and enforce public order controls. Army participation in the security plan does not imply that the country will be placed under military control, as certain persons or groups might think. It simply means that the efforts of all the state's institutions are being brought together to provide maximum security for the people and their property.

The Army and the various police bodies will work with full force, but within the law, against those groups that have perpetrated acts of violence and created an atmosphere of insecurity and uncertainty among the population. The government has maintained full respect for the law and will continue its policy of absolute legality, but it will not hesitate to take drastic action against criminals.

In conclusion, I wish to express my horror at the recent attacks against U.S. citizens. Such acts are instigated by groups harboring individual interests and are part of an organized strategy to harm the good relations that fortunately exist between our two countries. As part of the new security plans, we will act with full force against the groups that are instigating this violence against U.S. citizens. As a part of its new public security plan, the Government of the Republic hereby reiterates its determination to implement whatever actions are necessary to safeguard the lives, safety, and property not only of Guatemalans but of the foreigners living among us or visiting us for business or pleasure.

I have said that I received a nation at war and that I hope to hand it over in peace. To do so, however, I need everyone's help. I ask you all to report any act against defenseless citizens, Guatemalans or otherwise, to the security authorities. In most cases there has not been such assistance. We are all responsible for security. We will enforce order with the law in our hands. No more anarchy. Thank you for your attention and good night.

Vice President Reacts To U.S. Travel Advisory

PA1304011494 Guatemala City EL GRAFICO in Spanish 12 Apr 94 p 6

[Text] The latest events are deplorable, Vice President Arturo Herbruger has said when referring to the U.S. Government's warning to its citizens urging them not to visit our country.

He added: This is a deplorable situation, but, unfortunately, the events which occurred in San Cristobal, Alta Verapaz, are too terrible. This has caused shock in the United States.

Nevertheless, he has stated his optimism that the suspension will not last too long and that that country will lift it.

He has recognized this has had a negative effect on the arrival of foreign exchange. He has reasserted his belief the U.S. Government will soon suspend its recommendation.

He has said, however, this will be done provided Guatemala restores peace, which he believes is already being done, so that the United States will realize it involved isolated incidents.

Minister on Army Support for Civilian Forces

PA1304020894 Guatemala City PRENSA LIBRE in Spanish 9 Apr 94 p 3

[Text] Defense Minister Mario Enriquez Morales said yesterday: "The Army is ready to go into the streets to support civilian security forces and to fight the wave of violence Guatemala is experiencing."

He made these statements during his speech to Congress and affirmed them as the special session concluded. He stressed this plan is part of the new project drafted by the government's security cabinet to face the current situation.

He added the military institution is constitutionally empowered to support civilian security forces by using its 47,000 agents; we must follow President Ramiro de Leon Carpio's instructions, because we are part of the executive branch, he said.

Government Minister Danilo Parinello Blanco also talked about the joint project, which could become effective in the next few hours. He added the security cabinet has planned the creation of assault, elite, and investigative police units.

The first police unit will initially have 300 men and 600 men after 90 days, while 200 men will be assigned to the elite police unit. The investigative police unit will have military support. All these plans will be implemented despite the Government Ministry's current economic status.

Deficiencies

At the deputies' insistence, Parinello Blanco said his institution, especially the National Police (PN), has a number of deficiencies. Among the shortcomings, he mentioned the lack of economic resources and technology and the shortage in staff to work in all the regions.

The official cited the fact that 1,027 agents are at the service of diplomatic institutions and individuals. He

added a policeman must buy his uniform and shoes, and should he use his weapon he must use his 750-quetzal salary to buy ammunition.

Among the projects to be implemented, he said there is the possibility of establishing an emergency telephone number, similar to the U.S. 911 emergency phone number.

Historical Plenary Session

Deputies interrogated the two officials at a historic plenary session. The main topics addressed were the murders of Jorge Carpio Nicolle and Constitutionality Court President Epaminondas Gonzalez, as well as the recent attack on Legislator Obdulio Chinchilla Vega and other violent actions throughout many regions.

Fernandez's Testimony

Colonel Jose Fernandez Ligorria, chief of staff of the Defense Ministry, testified yesterday he has no links with the Chinchilla attack; on the contrary, he learned of the anonymous letter on 5 April and offered the deputy protection.

Army Spokeswoman Cited on Rebels' Amnesty

PA1304042294 Guatemala City SIGLO VEINTIUNO in Spanish 12 Apr 94 p 3

[Text] A large number of rebels has accepted amnesty after signing the Overall Human Rights Agreement, and they are now under the military corps' protection to prevent a possible attack by subversive factions.

The statement was given by Army Spokeswoman Berta Edith Vargas de Marroquin, who did not provide additional information on the number or identity of the rebels who sought amnesty or their current whereabouts.

She has said the number of URNG [Guatemalan National Revolutionary Unity] members to be demobilized in September will be less given the events that have resulted from the latest agreements signed in Mexico.

They accept the amnesty's legal norms, and the Army is implementing a special protection plan so they will not be attacked after deciding to become part of our society, she has added.

The spokesperson has also said the former fighters were members of various guerrilla factions, and they have approached military zone facilities located in different departments of the country; she added they have provided important information on their activities.

Marroquin has said: From the military viewpoint, the recent signing of an agreement, which included the United Nations' international verification, has made them reconsider their actions, and the Army is happy about this, because it results in fewer attacks on society.

The spokesperson also mentioned the URNG's charges that soldiers executed a peasant in the village of Santo

Domingo, Sayaxche, Peten Department. She categorically denied this, saying it involved a military clash that occurred on 3 April in that same place.

She has said a unit from the 21st Military Zone in Coban, Alta Verapaz, clashed with 10 terrorists at 1300 that day. A subversive was injured in the clash, and he jumped into the river, leaving behind his weapon, an AR-15 rifle.

The Army spokesperson has said she did not know the name of the man who died in Santo Domingo, but she said he had a bullet wound and later drowned. She has said the military is prepared to organize a trip to the place so the media can talk with local residents and confirm the truth.

Referring to Peten, Marroquin has said the Army is still concerned about the safety of Guatemalans whom the Belizean authorities have asked to vacate the areas where they settled along the border. She has said the Armed Forces are ready to act in accordance with the situation.

Nicaragua

Chamorro To Sign Trade Agreement With Mexico

PA1104170294 Managua Radio Nicaragua Network in Spanish 1200 GMT 8 Apr 94

[From the "This Morning" newscast]

[Text] President Violeta Chamorro disclosed yesterday upon returning from her official visit to Mexico that the two countries will sign a free trade agreement this year.

The Nicaraguan president said that her trip to Mexico and her working meetings with both public and private sectors had been productive.

[Begin Chamorro recording, in progress] ... with President Carlos Salinas de Gortari the signing of a free trade agreement. We think it will probably be signed before the end of the year. We also discussed [words indistinct] issues related to the debt inherited from the Sandinists, the previous administration, ten years ago. We agreed that both countries' finance ministers should search for a viable solution for us to be able to repay that debt, most likely with Nicaraguan assets. In spite of that, Mexico will open a \$10-million line of credit for us through private commercial banks.

We also discussed the meat problem, which we hope will be resolved within the Nicaraguan-Mexican free trade agreement that we expect to sign this year. We expect all sectors to benefit from the agreement because it will boost our economy and exports to Mexico.

In terms of social programs, we also discussed issues related to the continuation of a solidarity program with Mexico. Regarding my administration's social programs, we hope to continue with an exchange of technical expertise. We also signed a health and social welfare

cooperation agreement with the Mexican Health Secretariat and the Mexican Social Security Institute. That means special attention will be given to the many services provided by [Nicaraguan] social security to its affiliates.

I also had the opportunity to meet with Mexican businessmen during a breakfast engagement. I was accompanied by my ministers and four Nicaraguan business representatives. This gave us the opportunity to exchange opinions and invite everyone to visit Nicaragua to check out its investments opportunities. The Nicaraguan business sector representatives who accompanied me during the breakfast were Mr. Alberto Chamorro, president of the Nicaraguan Chamber of Industries; Mr. Roberto Teran, president of the Chamber of Commerce; Mr. Juan Chililino, vice president of the National Union of Farmers and Cattlemen; and Gerardo Segura, president of [word indistinct]. [end recording]

FN-380 Leader Views Honduran Troop Deployment

PA1204223094 Managua Radio Corporacion in Spanish 2300 GMT 11 Apr 94

[Report by Carlos Torres, Radio Corporacion chief editor, from the CIAV-OAS in Managua—live or recorded]

[Text] A few minutes ago, Jose Angel Talavera, a.k.a. Chacal, head of the 380 Northern Front [FN-380], granted an exclusive interview with Radio Corporacion. He discussed a report, disseminated by some media, that Honduran troops had been dispatched to the Nicaraguan border. Chacal denied that the Honduran troops had been deployed because of the presence of the FN-380 and explained that the Honduran troops had been mobilized to check the actions of criminal gangs on Honduran territory. This movement is unrelated to FN-380 troops.

Talavera also told us that the negotiations initiated this morning to discuss the problem of land ownership will resume in a few minutes.

Here are some of Talavera's remarks.

[Begin recording] [Talavera] We have no reports that this mobilization has anything to do with FN-380. We do know that troops have been dispatched to the northern border with Nicaragua to try to counter a crime wave in the area. But this mobilization has nothing to do with FN-380. The media that reported on this mobilization have been manipulating the reports.

FN-380 troops are stationed in various places, the location of which has been negotiated with the government and the Army, in the area of Quilali and Jicaró. Most of our troops are gathered on the outskirts of Quilali, Nueva Segovia.

We do not rule out the truth of reports on a crime wave in Honduras. There are always armed men who infiltrate, but in this particular instance there are armed bands that do not belong to FN-380. Consequently, reports in the Nicaraguan media are not objective and are rather hampering the negotiations, for which we cannot be held responsible.

Just as there are criminal gangs on the border with Honduras, so there are in the center of Nicaragua. They might be either Nicaraguans or Hondurans. Anyway, these gangs have nothing to do with our organization. Such activities contravene our principles. We have always opposed and fought crime. We are responsible and honest people, intent on helping the Nicaraguan people and society. Therefore, we reiterate that these actions have nothing to do with us. [end recording]

Regarding the situation in Jinotega, where the Sandinist National Liberation Front opposes the Nicaraguan Government's plan to fill National Police positions with members of the FN-380, Talavera said the National Assembly's government commission, headed by Andres Robles, has already solved this problem and that commission members will continue to talk during a meeting set to open in a few minutes.

Talavera also said that the Nicaraguan Government has made good on its promises on education by appointing a number of teachers in rural areas of the country's north, where before there were only few teachers.

In health care, the Nicaraguan Government has also been complying with the agreements signed by the FN-380 and the government.

A meeting will open in a few minutes that will end for good the demobilization of members of the FN-380. Talavera said the meeting will be attended by CIAV [International Commission for Support and Verification] Director General Celso Caramagna, as well as by government, INRA [National Agrarian Reform Institute], FN-380, Finance Ministry, and National Development Bank delegates. The latter will be present because the FN-380 seeks financing for the land they are demanding from the government.

Enhanced Structural Adjustment Facility Examined

PA1104233794 Managua EL NUEVO DIARIO in Spanish 9 Apr 94 pp 1, 8

[Report by Erving Sanchez Rizo]

[Text] The government is, in practice, putting the administration of the country's economy into the hands of the International Monetary Fund (IMF) and the World Bank, thereby losing sovereignty in its decisionmaking ability, even in such areas as education and law.

This is not only demonstrated by the government's acceptance of the so-called Enhanced Structural Adjustment Facility (ESAF), which is a formula imposed by

multilateral organizations, but also by the acceptance to reduce the state payroll by dismissing 13,500 employees and appointing supervisors in the programs of tax administration and public investment.

As part of the measures to be implemented in the so-called Macroeconomic and Structural Adjustment Policy, the government is calling for a series of measures that will affect not only thousands of public employees but the entire population.

Voluntary Mobility Program

In terms of fiscal policy, the government is determined to reduce the size of the public sector by firing, through the so-called "voluntary mobility program," 7,000 employees in 1994, 5,000 in 1995, and 13,500 in 1996.

This decision in reality will only affect sectors where state jobs will be "voluntarily guided." The ensuing effects of this decision will fall, however, also on the families of the dismissed state workers, businesses that will see their sales reduced, and even maids, who will lose their jobs after their employers get fired.

Although there are very few exemptions on indirect taxes, the government is determined to eliminate such exemptions, while adopting a mechanism to increase the price of fuel monthly in relation to the U.S. dollar.

Fuel Indexed and 6 Percent Eliminated

The decision to index the price of fuel to the U.S. dollar will result in an immediate increase in the price of consumer products as well as in the price of raw materials and tools as a result of higher monthly costs in transportation. In addition, the price of energy will gradually increase.

The ESAF also establishes fees for such services as health and education as well as elimination of the law earmarking 6 percent of the national budget for national universities. This may have serious repercussions on the training of personnel the country needs for its development.

Customs and Revenues Under the IMF

A very serious aspect of the ESAF is that the government is willing to place under IMF supervision both the tax administration program and the revision of the Public Investment Program with the World Bank before the country's spending plan is presented.

With that decision and the meddling of the two multilateral world organizations, the government will in turn lose its ability to freely decide on its annual budget for revenue and expenditures.

No Small- and Medium-Sized Production

In another of its recommendations, the ESAF proposes to keep the financial sector free from guided credit

policies. This decision will deflate the hopes of small- and medium-sized producers of access to special credit to implement development programs.

With regard to the Banades and Banic banks, a continued restructuring and reduction of operating expenses is envisioned, which has normally translated into a reduction of employees. In addition, capitalization of these state-owned financial entities is rejected.

ESAF Eliminates Restrictions on Payments Abroad

In this aspect, which shows the IMF's true nature as a debt collector, the organization is proposing the elimination of all restrictions on payments for current international transactions and is calling for a reduction in importation taxes. A positive aspect of the ESAF is that it creates a mechanism to encourage exports.

One aspect of macroeconomic policy is a draft bill to privatize Telcor [Nicaraguan Telecommunications and Postal Services Institute] by using indemnity bonuses. It also recommends the liquidation or sale of 38 businesses still remaining at Cornap [National Corporations of the Public Sector], among which are mining and energy companies. It also calls for the "restructuring of ports."

As part of this point, the ESAF also deprives the government of its ability to control or interfere in market prices at any given moment. Some of the few positive aspects include the proposed administrative and legal framework to consolidate rights with regard to agrarian property and the preparation of environmental regulations.

6 Percent for Universities in Danger

Regarding education, the ESAF proposes giving priority to elementary school education, reducing subsidies on high school and higher education. This will in fact result in a possible reduction in student enrollments at state-owned high schools or universities.

This last proposal is linked to the project to eliminate the law which gives 6 percent of the budget to state-owned universities, for which the student movement fought so hard. Although this has not come true yet, there is a danger of eliminating this right.

Finally, in one of the most dangerous decisions for workers, behind the decision to revise the Labor Code to facilitate the functioning of the labor market lies the possibility that private sector or state employees may be dismissed at any minute, and temporary job contracts will prevail.

Panama

Endara To Sign Protest Note To Present to U.S.

PA1204202894 Panama City LA PRENSA in Spanish
12 Apr 94 p 2

[Report by Manuel Alvarez Cedeno]

[Text] Local diplomatic sources have reported that President Guillermo Endara is currently examining the draft of a protest note that his government will officially present to the U.S. Government in light of a U.S. report that Panama is an international money laundering center.

Jaime Ford, the Panamanian ambassador in Washington, D.C., met yesterday with Foreign Minister Jose Mulino to draft the protest note. Government sources told LA PRENSA that the president is carefully analyzing the draft note before signing it.

Officials from the Clinton Administration recently affirmed that Panama has become a major center for laundering drug money. Endara and Foreign Minister Mulino later rejected the accusation.

Jaime Ford stated that there has been no major reaction from the United States since the report was released. The ambassador explained that "we are working very hard to draft this protest note. That is the reason for my visit to the Foreign Ministry."

Last week Endara said that Panama is helping in the fight against drug trafficking and money laundering.

Ford added that the Foreign Ministry and the Presidency are drafting the protest note together and "will deliver it as soon as it is ready."

The diplomat also said that the world, as it faces the invasion of drugs, must create an organization that can combine efforts, with proper respect for the sovereignty of each nation, to fight drug trafficking and its effects.

U.S. Government sources have also said that there is more money being laundered in Panama now than during the days of drug dictator Manuel Antonio Noriega.

The Endara administration has rejected the charges, arguing that this is a campaign to tarnish the country's image.

President To Announce 'Controversial' Decision

PA1304005294 Panama City Circuito RPC Television
in Spanish 2300 GMT 12 Apr 94

[From the "RPC Television News" newscast]

[Text] President Guillermo Endara has announced that on 18 April he will disclose a decision he has made, a decision which will generate controversy and prompt criticism against him.

The president has warned the statements he is planning to make on a television network broadcast on 18 April will shock the Panamanian community. He has said the mere thought of it makes him ill.

[Begin Endara recording] The only reason I am ill is due to the worry this decision has caused me. This decision is that I.... [pauses] I have made a very difficult decision,

and it may be very controversial. I will speak on a national network on 18 April at 1900. At that time you will know why I am ill. You will have to wait until 18 April to know. [end recording]

The president made the announcement during inauguration of a bridge that links the so-called old section of the Free Zone with the France Field warehouses in Colon Province. [The announcement is] prompting speculation of a possible resignation, because the president said repeatedly over the past few days that his feet are itching to leave the Palace of the Herons.

[Begin recording] [Endara] In reality it has nothing to do with that other foot disease. It has nothing to do with the feet. This is a disease of the head and heart.

[Unidentified reporter] Is it a political decision, Mr. President?

[Endara] It is definitely political, but it is my duty. It will be very controversial, and I will be widely criticized, but it is my duty. [end recording]

Despite reporters' persistent questions, Endara declined to provide any details regarding the statements he will make on 18 April at 1900, and he appealed for patience until then.

Commission Proposes Penalties for Drug Crimes

PA1204171394 Panama City LA PRENSA in Spanish
12 Apr 94 p 3A

[Report by Ibeth Vega]

[Text] The National Assembly's Narcotics Commission yesterday approved a draft law establishing stiffer penalties for drug-related crimes and updating the type of activities considered to be money laundering.

The Commission unanimously approved the draft and passed it on to the Assembly plenum for its second debate as an emergency bill.

The bill defines the strategy for fighting the production, consumption, and trafficking of drugs, money laundering, possession of goods and assets obtained from drug trafficking, and related crimes.

The document is a combination of proposals presented by Legislator Leo Gonzalez and Acting Attorney General

Jorge Ramon Valdes. It also includes recommendations made by the UN International Narcotics Convention held in 1988 in Vienna.

The draft improves the current description and adds several types of criminal activities to the list, including covert operations and controlled deliveries.

Roundup of Economic Developments

PA1304011794

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 12 April.

Delia Cardenas, planning and economic policy minister, has reported the government has managed to sell 90 percent of treasury bonds worth \$452 million it issued in 1993. The revenue was used to pay part of the national debt. The Comptroller General's Office has listed the debt, as of 31 December 1993, at \$7.2 billion, of which 27 percent is domestic, 53 percent is foreign, and 21 percent is interest and expenses. (Panama City EL PANAMA AMERICA in Spanish 6 April 94, p 8E)

The Panamanian Exporters Association, Apex, and the Association of Panamanian Industrialists, Sip, have reported that 1993 exports of manufactured goods totaled \$58.3 million, a figure considerably lower than the \$102.8 million of 1992. Although certain exports, such as chemicals, increased as much as 69 percent, prices dropped by 9 percent. Competition, particularly in the Central American market, forced prices down, while production costs tended to grow. (Panama City EL PANAMA AMERICA in Spanish 6 April 94, p 8E)

The consumer price index dropped .1 percent during the first two months of 1994. The drop was mainly due to a .3-percent drop in food and beverages and a 5.4-percent drop in fruits and vegetables. February showed an increase of 1.1 percent as a result of a 5.5-percent increase in transportation and communication costs. Compared to the same period in 1993, there was an increase of 1.2 percent. (Panama City LA PRENSA in Spanish 8 April 94, p 11A)

Apex President Juan Alberto Pascual has called on the government to "implement a more aggressive export policy," as industry is still faltering in the face of growing competition and higher production costs. "As long as these factors exist, the country will never be competitive on the international market," he has said. Meanwhile, Economist Rogelio Alvarado, from the Sip, has said exports have been steadily slipping for some time now, "mostly due to restrictions imposed by the European Union in July 1993." (Panama City EL PANAMA AMERICA in Spanish 8 April 94, p 3B)

Argentina**Official Constituent Assembly Vote Count**

PY1204171794 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0116 GMT 12 Apr 94

[Text] Buenos Aires, 11 Apr (NA)—The Justicialist Party [PJ] received nearly 38 percent of the vote nationwide in the elections for Constituent Assembly delegates, whereas the UCR [Radical Civic Union] vote dropped to 19.81 percent. The Grand Front displaced Modin [Movement for Dignity and Independence] in third place.

The following is the official tally following the tabulation of 97.68 percent of the polling stations nationwide:

Party	Votes	Percentage	Delegates
PJ	5,810,310	37.72	138
UCR	3,051,973	19.81	74
Grand Front *	1,972,112	12.79	31
Modin	1,415,073	9.18	20
Republican Force	275,986	1.79	7
Progresive Democratic Party	255,599	1.65	3
UCeDe [Democratic Center Union]	235,891	1.53	4

* The Grand Front is not considered a national party, but the total of the votes it received in the different constituencies where it fielded candidates adds up to 1,972,112. This enables it to send 31 delegates to the Constituent Assembly.

According to the official vote count, the detailed tally according to constituencies is as follows:

Buenos Aires Province (98.59 percent of polling stations tallied):

Party	Votes	Percentage	Delegates
PJ	2,511,819	42.66	35
Grand Front	962,214	16.34	13
UCR	922,221	15.66	13
Modin	799,308	13.57	11
Blank votes	259,659	4.17	—

Buenos Aires, district capital (99.37 percent):

Party	Votes	Percentage	Delegates
Grand Front	696,416	37.58	12
PJ	452,306	25.55	7
UCR	280,296	15.21	4
US [Socialist Unity]	142,804	7.75	2
Alliance of the Center	109,919	5.96	1
Modin	91,314	4.95	1

La Pampa Province (24 percent):

Party	Votes	Percentage	Delegates
PJ	12,854	45.65	5
UCR	7,443	26.42	2
Blank votes	1,356	4.55	—

Santiago del Estero Province (95.87 percent):

Party	Votes	Percentage	Delegates
PJ	130,068	52.93	5
UCR	99,358	40.43	4
Blank votes	21,058	7.80	—

Salta Province (95.77 percent):

Party	Votes	Percentage	Delegates
PJ	126,412	38.78	4
Renewal Party	91,394	28.04	3
Modin	51,852	15.90	1
UCR	35,082	10.76	1
Blank votes	11,427	3.25	—

Jujuy Province (93.60 percent):

Party	Votes	Percentage	Delegates
Mopaju	56,116	31.25	2
Republican Force	42,588	23.72	2
UCR	41,453	23.09	2
Frejupo [Justicialist Popular Unity Front]	30,363	21.19	2
Blank votes	8,213	4.26	—

Corrientes Province (95.73):

Party	Votes	Percentage	Delegates
PAL [Autonomist and Liberal Pact of Corrientes]	179,757	50.93	5
Victory Front [Frente Victoria]	99,500	28.19	3
UCR	34,536	9.78	1
Blank votes	14,394	3.87	—

Mendoza Province (86.94 percent):

Party	Votes	Percentage	Delegates
PJ	229,328	38.22	5
Democratic Party	187,278	31.21	4
UCR	103,340	17.22	2
Modin	47,426	7.90	1
Blank votes	22,870	3.5	—

Catamarca Province (100 percent):

Party	Votes	Percentage	Delegates
Civic Front	54,709	45.13	4
Justicialist Front	53,676	44.28	3
Catamarca Unity [Unidad Catamarquena]	6,152	5.07	—
Blank votes	8,146	6.23	—

Chubut Province (100 percent):

Party	Votes	Percentage	Delegates
UCR	64,525	43.70	4
PJ	57,110	38.67	3
PI [Intransigent Party]	10,431	7.05	—
Chubut Action	9,455	6.40	—
Blank votes	9,795	6.01	—

Chaco Province (98.95 percent):

Party	Votes	Percentage	Delegates
PJ	131,150	41.93	4
UCR	82,266	26.30	3
Chaco Action	66,799	21.35	2
Blank votes	32,516	9.28	—

Misiones Province (99.88 percent):

Party	Votes	Percentage	Delegates
Frejupo	141,408	44.54	5
UCR	111,056	34.98	3
Modin	43,684	13.75	1
Blank votes	9,325	2.82	—

La Rioja Province (100 percent):

Party	Votes	Percentage	Delegates
Frejuri [La Rioja Justicialist Front]	60,633	57.00	5
UCR	34,485	32.42	2
Blank votes	4,639	4.12	—

San Luis Province (99.72 percent):

Party	Votes	Percentage	Delegates
PJ	72,921	53.07	5
San Luis Front	33,649	24.49	2
Blank votes	10,539	7.01	—

San Juan Province (100 percent):

Party	Votes	Percentage	Delegates
Hope Front [Frente Esperanza]	94,899	35.63	3
Renewal Crusade [Cruzada Renovadora]	74,902	28.12	3
Frejupo	48,636	18.26	1
Bloc Party	33,597	12.60	1

Entre Rios Province (100 percent):

Party	Votes	Percentage	Delegates
PJ	226,142	41.37	5
UCR	131,822	24.12	3
Modin	94,384	17.27	2
Grand Front	68,031	12.44	1
Blank votes	26,836	4.62	—

Rio Negro Province (100 percent):

Party	Votes	Percentage	Delegates
UCR	83,968	42.68	4
PJ	60,829	30.91	3
Grand Front	19,201	9.75	—
Blank votes	10,141	4.78	—

Tierra del Fuego Province (100 percent):

Party	Votes	Percentage	Delegates
PJ	11,430	37.62	3
Mopofu [Tierra del Fuego Popular Movement]	9,775	32.17	3
UCR	4,187	13.77	1
Blank votes	998	3.08	—

Cordoba Province (99.97 percent):

Party	Votes	Percentage	Delegates
UCR	605,204	42.64	9
Frejupo	462,887	32.62	7
UCeDe	151,612	10.68	2
Grand Front	80,870	5.70	1
Modin	63,746	4.48	1
Blank votes	81,175	5.34	—

Formosa Province (99.36 percent):

Party	Votes	Percentage	Delegates
Victory Front	88,206	55.51	5
UCR	49,744	31.30	2
Blank votes	6,175	4.01	—

Santa Fe Province (99.18 percent):

Party	Votes	Percentage	Delegates
PJ	516,403	36.16	9
Progressive Democratic Party	218,521	15.30	3
UCR	172,023	12.04	3
Grand Front	145,380	10.18	2
Modin	134,010	9.38	2
Hon Alliance [Alianza Hon, as received]	112,836	7.90	1
UCeDe	71,595	5.01	1
Blank votes	85,926	5.58	—

Neuquen Province (99.88 percent):

Party	Votes	Percentage	Delegates
Grand Front	49,694	29.19	2
Neuquen Popular Movement	47,062	27.64	2
PJ	40,698	23.90	2
UCR	22,111	12.98	1
Blank votes	8,979	4.88	—

Tucuman Province (99.67 percent):

Party	Votes	Percentage	Delegates
Republican Force	233,398	45.48	5
Hope Front	200,219	39.01	5
UCR	41,365	8.06	1
Blank votes	16,562	3.08	—

U.S. UN Envoy Discusses NATO Weapons Embargo

PY1104132494 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2021 GMT 8 Apr 94

[Report by Jose Maria Monzon for NOTICIAS ARGENTINAS]

[Text] Buenos Aires, 8 Apr (NA)—Carlos Menem's administration took advantage of the nearly unnoticed visit by Madeleine Albright, U.S. permanent representative before the United Nations, to once again raise one of

the issues that worries the Argentine military the most; namely, NATO member countries' refusal to sell weapons and military hardware to our country.

During their talks with the U.S. diplomat, officials from the Defense and Foreign Ministries pointed out that it was totally incoherent that on the one hand the United Nations asks Argentine servicemen to participate in peacekeeping missions like those in Croatia and Bosnia, while at the same time Argentina is hampered from being able to reequip itself in a manner suitable to the dangers being faced in those places.

"If we are trustworthy enough to participate in such important missions as those in the former Yugoslavia, we should also be trusted with access to the latest generation conventional weapons," they underscored during the meetings with Albright, in which they did most of the talking.

The Argentine strategy seeks basically to undermine the United Kingdom's influence on its NATO partners, which is, in short, the root cause of the discrimination against our country concerning military materiel.

London so far maintains its ability to exert pressure on its partners in the Atlantic alliance nearly intact. Proof of this are the countless obstacles the Argentine Air Force has had to overcome to purchase the old Skyhawk planes. It is still not known whether the U.S. Government is willing to fit them with second generation tactical radars.

The Menem administration is interested—as a priority issue—in opening a breach in the embargo imposed following the Malvinas war, and feels it has made all the necessary gestures and efforts to that effect in the international arena. Sending ships to the Persian Gulf, participation in the blockade against Haiti, sending humanitarian aid to Somalia, and the deployment of more than 900 servicemen in the former Yugoslavia are concrete examples that Argentine officials intend to offer as proof of the country's faithfulness to the initiatives taken by Western countries within the UN Security Council.

The Argentine military's concern is not limited to the impossibility of having at their disposal the appropriate materiel for participating in peacekeeping missions. It also includes the imbalance which is indeed taking place in the region, as the Chilean Armed Forces have found a clear path to reequipping themselves.

With regard to this, Margaret Thatcher's recent visit to Santiago and the special interest the British showed in the military aeronautics fair held in Santiago caused uneasiness among the Argentine military, who believe that behind these gestures of rapprochement London is pursuing a strategy of pressure.

The Argentine Government has allegedly discussed its uneasiness with the new civilian authorities in Chile, and

although they are not fostering this rapprochement with Great Britain, they seem unable to control their military's public relations.

Leaving this mistrust aside, what the Argentine Government is trying to do is to neutralize London's influence in the international scene. In order to achieve this, it is interested in becoming a permanent member of the UN Security Council.

The Argentine Government is aware that the United States is in favor of increasing the number of permanent members to 20, and intends that our country be taken into account when the latter are appointed. In any case, it remains to be seen what the United Kingdom's stance is on this aspiration. Actually, one should bear in mind that it still has enough clout with Washington to twist any important decision that has to do with Argentina.

Accord Outlines Privatization of Power Plants

PY1204202194 Buenos Aires CLARIN in Spanish
10 Apr 94 Economic Supplement p 5

[Text] The agreement between the Energy Secretariat, headed by Carlos Bastos, and the National Commission for Atomic Energy [CNEA], headed by Manuel Mondino, materialized in a sort of legal document establishing the steps to be taken for the transformation of nuclear activities, particularly those having to do with the generation of electricity. The following is the text of this document, which constitutes an inarguable victory for the privatization drive pursued by the Economy Ministry:

"The CNEA needs streamlining and reorganizing to adapt to the (electricity) market. This demands splitting two large areas of activity—namely the control and licensing of nuclear power plants, and production, research, and development activities—into different organizations.

"For the former it would be possible to establish a unit that would come under the jurisdiction of the federal government, with resources from the National Treasury plus the fees or royalties that this unit would charge to companies subject to control.

"The other activities would be entrusted to one or more joint stock companies subject to commercial laws. In other words, they would act as individuals under private law, and would therefore be affected by the bankruptcy act.

"Initially, all the shares of these companies will belong to the state.

"The preceding paragraph means that the state will not contribute—through the Treasury—funds to finance any expenditures to be incurred by these companies.

"The Treasury will contribute the necessary funds to conclude the construction of the Atucha-2 power plant, according to a budget that will be put together in the future.

"The shares, which will initially be controlled by the state, will be sold to private investors on the stock exchange at a later stage (same procedure as YPF [Government Oil Deposits]).

"The expansion of the nuclear sector will be accomplished through private investments in new power plants.

"Once the unit responsible for the control of nuclear power plants is operational, current and future power plants will be subject to the same control provisions."

Cuban Foreign Minister Meets With Di Tella

PY1104171294 Madrid EFE in Spanish 0131 GMT
9 Apr 94

[Text] Buenos Aires, 8 Apr (EFE)—Cuban Foreign Minister Roberto Robaina and Argentine Foreign Minister Guido Di Tella both agreed and disagreed over the state of bilateral relations at the end of an unofficial meeting they held today in Buenos Aires.

Robaina, who arrived in Buenos Aires on a private visit of less than 24 hours, stressed that "agreement over our disagreements predominates" in relations between Cuba and Argentina.

Di Tella, who gave a separate news conference after the unscheduled meeting, indicated that "serious disagreements" still persist in the political area.

Witnesses to the meeting told EFE that during his 45-minute meeting with Robaina, Di Tella nevertheless promised to ask Argentine businessmen to explore the possibility of investing in Cuba in all the sectors that are open to foreign capital.

Robaina, who made a 5-day official visit to Uruguay, will travel within the next few hours to Bolivia, and will return on 13 April to Buenos Aires to begin his programmed 48-hour official visit.

The total debt that Havana maintains with Buenos Aires can be highlighted among the disagreements. While Robaina states that "it does not amount to \$1 billion," Di Tella maintains that it surpasses \$1.2 billion.

Robaina insisted that his government "has the political desire" to pay this debt, within the context of the inviability of its overall debt throughout the world; that the outcome must be reached with "creative solutions" from the experts of the two countries; and that it is necessary for these to meet.

He also stressed that the present time "is a new time in the history of the relations" between the two countries, and that he believes that relations remain "firm and

close despite the political disagreements" that have lasted since 1989, when Carlos Menem became president.

Di Tella again demanded "the beginning of a process of political transformation" in Cuba, and said that "it still can not be seen."

Di Tella told the reporters that the trade opening program that was expounded by Robaina is just a "sample."

Di Tella, who was in the company of Vice Foreign Minister Fernando Petrella and Central America and Caribbean Director Raul Martinez, met with Robaina in the Foreign Ministry.

Moreover, he admitted that in the future "there could be" Argentine businessmen who would be interested in investing in Cuba.

Robaina's "quick" visit—people in his entourage indicated that he had to stop over in Buenos Aires due to flight connections—allowed him to meet with Di Tella, because the Argentine foreign minister is off to Morocco on 13 April.

Sources close to Robaina consider the results of this first contact "positive", within the framework of the process that includes the signing of the cooperation agreement in the antidrug fight that was signed in Havana on 5 April, which could lead to the signing of an agreement regarding the mutual guaranteeing of investments.

Views Ties, Castro's Successor

PY1104235094 Buenos Aires CLARIN in Spanish 9 Apr 94
p 32

["Summary" of "exclusive" interview with Cuban Foreign Minister Roberto Robaina by Daniel Santoro, Carlos Arroyo, and Rogelio Garcia Lupa; in Buenos Aires on 8 April]

[Text] [CLARIN] Last year, [President Carlos] Menem said in Bahia Blanca that he was absolutely disgusted to be at the same summit as Castro. The latter stated that the Argentine president is an "opportunist" who aligned himself with the United States. Is there any possibility of their meeting in Cartagena [de Indias, Colombia]?

[Robaina] The presidents must decide that, and secondly, my country wants bilateral relations with Argentina to be above any argument.

[CLARIN] If Menem continues to demand what he terms "the democratization of Cuba," do you still want them to meet?

[Robaina] We really want to explain to him what we understand by democratization. We agree with their request that our country institute a multi-party system, but Cuba is a besieged stronghold (by the United States) and cannot afford to lose its unity.

[CLARIN] Brazilian trade unionist Lula da Silva has a good chance of winning the Brazilian presidential elections and the Grand Front may be successful at the polls in Buenos Aires City on 10 April. Are we seeing a resurgence of the left in Latin America?

[Robaina] Latin American peoples have an extremely complex economic reality which has helped the resurgence of the left in some Latin American countries. This goes to prove the extent to which they continue to believe that some (neoliberal) movements, currently in office, have not yet met their needs.

[CLARIN] Will your government grant refuge to [former Revolutionary People's Army leader Enrique] Gorriaran Melo, just as it granted asylum to Argentines who were persecuted by the military regime?

[Robaina] Cuba has relations with several leftist parties throughout Latin America, but it would be unwarrantable for the Cuban Government to undertake acts that may damage its relations with other countries. The times of Cuban relations with a left that was experiencing persecution and savagery are behind us now.

[CLARIN] With the election of Colombian President Cesar Gaviria as OAS secretary general, does Cuba believe the time has come for it to return to this forum?

[Robaina] That is not a matter of priority for us because we were expelled from that organization. Notwithstanding this, those already furthering that idea within the OAS should know that Cuba will not object.

[CLARIN] Will you invite anti-Castroist groups residing in Miami to the meeting of Cuban exiles to be held on 22 April in your country?

[Robaina] It will not be a meeting of groups. In any case, those who have not been invited are just hysterical individuals.

[CLARIN] Will the agenda include proposals like the one allowing elderly Cubans living abroad to spend their last few days in Cuba?

[Robaina] You are well informed (he laughs). One cannot say, however, that there is a closed agenda.

[CLARIN] Will the legalized use of dollars on the island lead to the establishment of a privileged social group—one that has foreign currency?

[Robaina] No. The country is undergoing a process of economic transformation which entails the implementation of an open market policy for foreign capital, the liberalization of the job market, and the legalization of the use of a hard currency.... But this has an enormous political and social cost, which we assume because if we do not effect these changes the consequences will be even worse.

[CLARIN] It has been mentioned that you, a 37-year-old minister, might be Fidel's successor. Is that true?

[Robaina] Fidel himself brought up the subject in a very clear way—he is not interested in staying in power for ever.... He is there because Cubans decided to give him that mandate.... Instead of looking for a successor, we should try to find a way, as Cubans, to collectively participate in the process.

Brazil

U.S. 'Authoritarianism' in GATT Talks Criticized
PY1204204194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 94 Section 2 p 2

[Article by Pedro de Camargo Neto: "A Deceitful GATT Deal"]

[Text] The new International Commerce Agreement will be signed in Marrakesh. It is the result of the so-called Uruguay Round of talks held within GATT. What enthusiasm should Brazilian farmers have about the new agreement?

The way in which the agreement was negotiated cannot be ignored. Negotiations violated a basic principle, that of multilateral action. The position of weak countries was for the most part ignored. Stronger countries made it clear that orders come from those who have power. Orders are obeyed by common-sense countries. The authoritarianism adopted by the United States and the EU jeopardized the principle of negotiation that should be observed by all commercial rules. It is not a matter of claiming that we can have the same weight. But it is necessary to clearly admit that most countries had limited participation. We are actually in a submissive position, and recognition of this situation will make it possible for the Brazilian economy to find its appropriate place in international commerce.

The Uruguay Round began with the revolutionary proposal to eliminate subsidies for agriculture. The challenge represented by the destruction of this economic "barrier" was exciting. Time showed the change in the U.S. position against subsidies and for free trade. For their part, weak countries lacked cohesion for eliminating the "barrier." In the end it was clear that the "barrier" is not a priority. The EU is facing problems in its own structure. It has very close neighbors that might cause more serious problems in the future. The United States is concerned about building a "dike," not about eliminating the "barrier." Agricultural subsidies were postponed for another occasion.

It would be very difficult to hail the 21 percent reduction of subsidies on farm exports over the next six years. Subsidies on exports have nothing to do with food insurance [seguranca alimentar]. Nor do they have anything to do with the well-being of U.S. or European farmers. They do not protect less competitive farm sectors. They represent a simple and cheap way of making internal adjustments—unfortunately—at the expense of others.

Food support and food insurance policies generate a production surplus. This surplus, however, can be managed internally. The complexity of stronger countries' farm policy is such that it allows for adjusting production without a noticeable drop in farmers' income and without subsidizing exports. Doing it on the international market, however, is simpler and easier. This way, internal policy affairs are adjusted by throwing out the economic waste of the production surplus. They destroy international market prices by adjusting their internal policy. What is simple and cheap for the strong harms the agriculture of the weak.

Subsidies on exports cannot be justified. It is actually a 79 percent injustice. It means that because of a solution that is simpler and more economic for the strong, a vast part of the world will still have to wait perhaps six years to grow. We obtained very little, if anything at all. We can resign ourselves to the room we have. We should sign the agreement because not doing so might be even worse. But hailing this would be too much.

Increased Trade With South Africa Envisioned

PY1104175894 Sao Paulo ISTOE in Portuguese 6 Apr 94 p 69

[Article by Luiz Alberto Weber]

[Text] During the government of General Ernesto Geisel (1974-1979) the "responsible pragmatism" of the Brazilian Foreign Ministry led Brazil to become one of the pioneers in recognizing the African socialist regimes of Angola, Mozambique, Guinea-Bissau, and Cape Verde. Brazil, as an emerging power, wanted to exert its influence over the Portuguese-speaking countries that had recently become independent from Portugal. Almost 20 years later, Itamaraty and a group of Brazilian businessmen are playing their cards on a South Africa governed by the African National Congress (ANC) of Nelson Mandela. But the priorities are different: There is no longer the idea of projecting Brazilian political influence, but rather that of doing good business. From 13 to 20 March, just over one month before the first South African elections in which the black population will vote, a delegation of 34 Brazilian businessmen headed by Celso Marcos Vieira, chief of the Trade Promotion Department of the Foreign Ministry, made a commercial visit to that country. The Brazilian companies were represented by large companies such as Andrade Gutierrez, Norberto Odebrecht, Mendes Junior, NEC of Brazil, Embraer [Brazilian Aeronautics Company], Varig Airline, Furnas [Furnas Electric Power Plants, Inc.], and Petrobras [Brazilian Petroleum Corporation]. Vieira said: "The time could have not been better: With this initiative we showed confidence in the South African electoral process."

The South African elections, which will put an end to 46 years of white minority government, will be held on 26, 27, and 28 April. Even with the growing political violence of the last few months, the inauguration of Nelson

Mandela on 10 May is considered a sure thing by analysts, including those of Itamaraty. The Brazilian delegation got ahead of possible missions from Europe, the United States, and Japan. According to Otavio Cardoso Pontes, director-superintendent of Poliolefinas and one of the members of the Brazilian delegation, Brazilian businessmen see many possibilities for bilateral trade with South Africa, which is a country with a high level of consumption and a well-developed infrastructure. Mandela's representatives guaranteed the Brazilian businessmen that an eventual ANC government would not implement a policy promoting government intervention in the economy, as planned in the party program.

The Brazilians met with heads of the ANC economic departments and with representatives of five different sectors (including the National Federation of Africa Chamber of Commerce, which includes only black businessmen) interested in joint ventures and consultant services. The future for prospective Brazilian deals in South Africa lies in the reconstruction and development project that Mandela and his team have drafted. Vieira commented that "the ANC intends to build 1 million low cost houses and to expand its electricity supply system. There is lots of room for Brazilian companies in these areas." Mandela's supporters, moreover, are willing to review the energy policy implemented so far by the government. The ANC intends to minimize the African nuclear program which, it is believed, includes nuclear bombs.

The ANC leaders are also quite interested in the establishment of an economic bloc including Mercosur [Common Market of the South]—Brazil, Argentina, Uruguay, and Paraguay—and South Africa, Angola, Mozambique, Tanzania, Zambia, and Botswana. According to Minister Vieira, Brazil regards South Africa as a doorway for the entry of Brazilian products into the African markets. He added: "They know how to negotiate with the region, and this could be useful to the Brazilian businessmen."

Although the ANC has asserted it does not have any nationalization program in mind, it has asked to consult Petrobras [Brazilian Petroleum Corporation] to determine whether or not it is feasible to maintain the state monopoly in the oil field. The Bank of Brazil has already opened credit lines with the purpose of promoting bilateral trade. But the Brazilians' visit to Mandela's country does not boil down to promises only. At least one deal worth \$3 million has already been closed: The petrochemical industry Poliolefinas will buy raw material from a South African company to manufacture polyethylene. Minister Vieira exclaimed: "We have discovered South Africa." What remains to be seen is whether Mandela's virtual election will be enough to guarantee political stability in that country. After all, Brazil's initiatives in all the Portuguese-speaking African countries failed because they all were drowned by endless civil wars.

Lula Faction Controls Sao Paulo PT Platform

PY1204131594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 94 p A6

[By Regina Terraz]

[Text] The faction led by PT [Workers Party] presidential candidate Luis Inacio Lula da Silva emerged as the winner in the 10th Sao Paulo State meeting that concluded yesterday in the city of Sao Paulo. Lula's Coordination/Unity [Articulacao/Unidade] faction obtained the largest number of votes among the Sao Paulo delegates, and managed to make its proposals prevail in the PT platform. Deputy Jose Dirceu, PT candidate for governor of Sao Paulo State, said: "The meeting showed that Lula's majority has prevailed." He added: "It is not true that Lula does not have the support of the majority within the PT." The vote outcome was, however, close.

The victory of Lula's faction over Time for Truth [Hora da Verdade], a more radical group, signifies that Lula's government plan will be more moderate. The PT decisions in Sao Paulo State, the stronghold of the party, will weigh heavily in the drafting of the final document, which is to be approved at a national PT meeting to be held from 29 April to 1 May.

For instance, on the subject of the foreign debt—one of the most controversial topics in the PT program—the Sao Paulo members decided to reject the proposal to immediately suspend payments and to support the PT executive board's original proposal, which is less radical on this point.

In the final document, the suspension of foreign debt payments may appear as a measure that could be adopted by the government after a detailed analysis of the debt. The PT proposal may also endorse open debt negotiations.

On the subject of privatization, Sao Paulo will also support the original document, which proposes the suspension of the privatization process and an assessment of those companies that have been privatized thus far. The PT delegates declined to support the idea of bringing back to the government fold those companies that had already been privatized.

In the opinion of Jose Dirceu, who attended the meeting, the main PT adversary in the 3 October elections will be the Brazilian Social Democracy Party (PSDB). Dirceu said: "It will be Lula against Fernando Henrique Cardoso; and Jose Dirceu against Mario Covas in Sao Paulo." He noted that the opposition by Covas—PSDB candidate for the Sao Paulo gubernatorial seat—to the PSDB alliance with the Liberal Front Party [PFL] "is just a publicity stunt." He added: "In Sao Paulo, Covas is promoting an alliance with the Liberal Party and with the Brazilian Labor Party. Hence, he could not possibly claim that he is against the PSDB-PFL alliance." He said: "What the PSDB members want is to seize power; they do not care with whom."

Lula: Party To Change Abortion Position
PY1304033194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 94 p A4

[Article by Lucia Helena Gazzola]

[Text] Luiz Inacio Lula da Silva, presidential candidate for the Workers Party [PT], on 11 April promised Bishop Luciano Mendes de Almeida, chairman of the National Conference of Brazilian Bishops (CNBB), that two controversial proposals that irritated the church will be withdrawn from the PT government platform: the legalization of abortion and marriage between homosexuals.

Lula and Bishop Mendes de Almeida met in Sao Paulo at Lula's request. "I told Bishop Luciano that the final decision on this subject will be made at the national party convention, but I am sure, just like the rest of my party, that although these problems must be discussed by society, they must not be part of our government platform," Lula said.

Lula is thus attempting to eliminate the discomfort created in the relations with one of the PT's traditional allies—the so-called progressive church. Lula has guaranteed Bishop Luciano that he is against abortion and that the PT's greatest concern is "the defense of the lives of millions of Brazilians who are alive and about to be born. Issues like these are not a priority in a country where millions of people are starving or unemployed. The priority is the distribution of wealth and the agricultural and employment policies."

Lula discussed with Bishop Mendes de Almeida the document "Brazil: Alternatives and Protagonists," which is an analysis of the current situation prepared by the CNBB for its annual meeting that will begin on 13 April in Itaici, Sao Paulo. "We will speak with all the presidential candidates because it is our duty as a church to bring suggestions to help solve the national crisis," Bishop Mendes de Almeida said.

He clearly established that the church expects the PT to reconsider its position regarding abortion and marriage between homosexuals. "The key, for us, is the defense of life," he said. "A fetus is defenseless and it is our duty to defend its rights." As for the document that will be discussed in Itaici, the CNBB chairman said: "We want a firmer stance by the democratic state, an economy centered on society, and the elimination of corruption in public administration."

Congress Probes Cocaine-Prostitute Exchange
PY0804190694 Madrid EFE in Spanish 1532 GMT 7 Apr 94

[Text] Brasilia, 7 Apr (EFE)—Congressional sources today told EFE that the Brazilian Chamber of Deputies is investigating reports on the exchange of young prostitutes for cocaine on the Brazilian border with Bolivia.

A delegation of three deputies today went to investigate the charges raised by residents of Brazilian townships located in border areas with Bolivia in Mato Grosso, Acre, and Rondonia.

The deputies investigating the report are socialist Deputy Chico Vigilante and conservative Deputies Maria Valadin and Zelia Mendes, who serve on the Chamber special committee that investigates child prostitution.

According to the reports received by the committee, the minors are in the 11-16 age bracket—although one was eight years old. They are exchanged for cocaine and taken to coca growing and producing areas in Bolivia as prostitutes for the men working there.

The delegation will hear testimonies of state and municipal officials and local residents.

Some witnesses told the congressmen that a presumably Brazilian couple is recruiting minors in the Amazon region, ostensibly to work as household servants in Sao Paulo, but these minors are taken to the border with Bolivia to be exchanged for cocaine.

The congressional committee, which started to work six months ago, will release its final report on 31 May.

Social democratic Deputy Moroni Torgan, who is a police officer and the rapporteur of this committee, was rather cautious about this case but did not rule out this type of crime.

Illegal Lottery Documents Linked to Trafficking
PY1104232294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Apr 94 p C1

[Article by Mauricio Menezes, Marcelo Faga, and Marita Boos]

[Text] Rio de Janeiro—The Rio de Janeiro district attorney will send the federal government files on the entrance of cocaine into Brazil through Paraguay in operations allegedly financed by the Rio de Janeiro illegal numbers lottery bankers. This is one of the main branches of the investigation that began after police busted into the fortress home of illegal lottery banker Castor de Andrade last week. Hundreds of names of individuals and organizations financed by the illegal lottery were found thanks to the investigation.

Illegal lottery banker Waldermiro Garcia, known as Miro, who is considered the richest of all the numbers lottery bankers, owns a casino in Ciudad del Este (Paraguayan city on the border with Foz de Iguazu). According to Paraguayan builders, nearly a year ago he invested \$2 million just to refurbish his casino.

According to information obtained by Brazilian police that is in the District Attorney's Office's hands, 60 small, private airplanes fly daily from Paraguay into Brazil bringing drugs from Bolivia and Colombia. Most of the

airplanes land in Sao Paulo State, from where the drugs are taken to Rio de Janeiro in small quantities.

The Rio de Janeiro district attorney will ask the government to carry out negotiations with the Paraguayan Government to further control the flights of small airplanes leaving for Brazil. The subject is being handled with total discretion because there are suspicions that Paraguayan Government officials may be involved in these operations. The investigations show that besides being used to bring cocaine, the airport [not further specified], which already has been closed once, also is used to receive smuggled weapons.

Reactions

The day at the Rio de Janeiro District Attorney's Office was marked by reactions against the release of the list of names of people who received money from the illegal lottery scheme.

Rio District Attorney Antonio Carlos Biscaia, who today wanted to concentrate on analyzing the thousands of pages from the accounting books where the financial movements of the illegal lottery bankers are registered, was forced to receive politicians and lawyers protesting the manner in which the case was made public.

Files

After decoding 166 diskettes confiscated from the home of Castor de Andrade, the prosecutors and computer experts investigating the corruption scheme operated in Rio de Janeiro by the illegal lottery on 8 April managed to enter the files of the illegal lottery's top bankers, and they believe they will obtain extraordinary revelations. Nonetheless, they are waiting for authorization from District Attorney Biscaia to reveal their findings.

The diskettes found in the safes of Castor de Andrade's fortress home that police broke into last week are being studied by experts from the District Attorney's Office and the Rio de Janeiro State Data Processing Center [Centro de Processamento de Dados—Proderj]. The work being carried out at the Military Police Classified Services Office, at the institution's headquarters, were surrounded by mystery on 8 April.

According to Classified Services Commander (P2) Colonel Marcos Paz, some of the diskettes' contents already have been printed by the experts. The printed pages were taken to the District Attorney's Office. The experts did not want to give out any information about their work, saying the information on the results is being held at the District Attorney's Office.

Lottery Money Laundered Through Paraguay, Uruguay

PY1204021494 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 11 Apr 94

[Text] Police have learned how the illegal numbers lottery money is laundered. Another illegal lottery betting place was busted by police in Rio de Janeiro today.

Police believe some betting places are changing their location as a result of the investigations. Police this morning confiscated this material as it was taken from the Cobacabana district to another southern Rio de Janeiro district.

Federal Police learned how the illegal lottery money laundering scheme works. It is done through the Acaray Casino in Ciudad del Este, Paraguay. One of the casino owners is illegal lottery banker Waldomiro Garcia, known as Miro, who uses the casino to justify a good portion of the illegal lottery money that is registered as profits from the casino.

The illegal lottery bankers also use the Uruguayan financial market to launder the money produced by other illegal businesses. This money circulates through Montevideo banks as if it were money from Uruguayan companies that make large investments in Punta del Este's real estate market. These are fictitious businesses that always render fantastic profits.

The money leaves Rio de Janeiro, goes to Paraguay, and then to Uruguay. From there, already converted into clean money, it is sent to fiscal paradises like Bahamas, Cayman, and Virgin Islands. In the end, the money circulates normally in the international financial market.

The illegal lottery bankers charge from 10 to 15 percent to facilitate the laundering of money both in Uruguay and Paraguay. After the money is laundered abroad through several financial method, the money returns to Brazil as foreign investments. It is as if I lend my money to myself through a foreign company, apply it in the Brazilian financial market, then repay the money to myself with interest, and then once again send it all abroad.

Government Discusses Numbers Game Legalization

PY1204021294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 94 p C1

[Article by Rosa Costa and Diana Fernandes]

[Text] Brasilia—At a meeting with Justice Minister Alexandre Dupeyrat and the government leaders in Congress, President Itamar Franco today will begin discussing the possibility of the federal government exploiting the numbers game. The government considers this to be "an emergency solution" to fight the widespread corruption system set up by the numbers game kingpins around betting places. According to Pedro Simon (Brazilian Democratic Movement Party-Rio Grande do Sul State), who is the government leader in the Senate, the inclusion of the numbers game on the list of crimes forced it to go underground and to generate a system of "related crimes," such as trafficking in drugs and arms and holdups of armored bank vans.

Minister Dupeyrat will propose at the meeting that the numbers game continue to be considered an illegal

activity if it is exploited without the government's authorization. He claims that to simply legalize it—as proposed by some—would only benefit those offenders who now are facing charges because the courts would then have to dismiss all charges. Dupeyrat believes the problem may be solved by authorizing the Federal Savings Bank (CEF) or another government institution to exploit the game to compete with the illegal operators.

Dupeyrat said: "The numbers game is being exploited by criminals who are obtaining very high profits because they are withholding part of the prizes." He added: "If the game is exploited adequately and if higher prizes are distributed to bettors, the people will prefer the government-run game." Planalto Palace expects to learn today whether the CEF has the capability to include another betting game in its lottery system.

Sen. Simon believes, however, that a solution should start by excluding the numbers game from the list of crimes and by legalizing it. He wants it to become a legal activity that would be supervised by the government and would be liable for taxes. He said: "That would put an end to payments of bribes to policemen and government officials." He added: "It also would become much easier to fight the number of crimes surrounding betting places." Playing on Simon's side is the fact that he "legalized" the numbers game upon his inauguration as governor of Rio Grande do Sul as soon as he realized that one-third of police personnel in the state were officially assigned to fighting this crime, but that in reality they were only offering protection in exchange for kickbacks.

The proposal now being discussed by the government will block a Congress vote on a previous proposal that virtually reserves the market for the current numbers game operators. The bill, which already has been approved by the Constitution and Justice Committee, legalizes the numbers game and authorizes its current operators to continue to exploit it exclusively. The proposal, which was endorsed by the Rio de Janeiro kingpins, was sponsored by Deputy Paulo Almeida (Democratic Social Party-Rio de Janeiro), who is the president of the League of Samba Schools, Liesa.

Majority of Industries Set Prices in URV's

PY1304020994 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 12 Apr 94

[Text] According to a survey by the Sao Paulo State Federation of Industries, 82 percent of industrial companies already have converted their prices into Real Value Units, URV's. The survey was delivered today to Finance Ministry special adviser Milton Dallari. The survey also shows that nearly 40 percent of commercial stores already have set their prices in URV's.

Dallari, who today met with nearly 200 businessmen in Sao Paulo, said the government will institute the real only when all prices have been converted into URV's. Commenting on the conversion of utility rates, Dallari

said that only the conversion of electricity and telephone rates will require an implementation decree, which will not be issued until June. Other utility rates will be converted into URV's by May.

Chile

Survey Examines Pros, Cons of Joining Mercosur

PY1204215194 Madrid EFE in Spanish 1805 GMT
11 Apr 94

[Text] Santiago, 11 Apr (EFE)—Chile will lose \$295 million per year if it does not establish some sort of relationship with Mercosur [Common Market of the South], according to a survey the Chilean Foreign Ministry asked a private consulting firm to carry out. The firm recommended a rapprochement with this group that seeks the integration of the Southern Cone.

The survey results, published today by EL DIARIO, which specializes in economic subjects, states that if Chile does not establish some sort of relationship with Mercosur it "will lose all the advantages to promote trade."

The survey states that Chile will lose \$125 million per year in exports and \$170 million per year in imports.

The figures only reflect the impact of trade with Brazil and Argentina, without taking into account Uruguay and Paraguay, the other Mercosur member countries.

The survey states that "Mercosur is definitely important to Chile," noting that its member countries are the main importers of Chilean goods.

Moreover, it states that joining any integration initiative will only speed up the flow of foreign investments, attracted by the size of this broadened market, and also may contribute to a greater complementation of the economies.

The report also refers to the negative effects that Chile's possible link with Mercosur may have; the macroeconomic instability of the member countries and their failure to agree on a common external tariff, which would be a maximum of 11 percent of the current one in Chile.

According to the consulted analysts, the main problem in reaching an agreement with Mercosur is in the establishment of a common external tariff that the group must agree on and, within this context, the true problem is that Brazil has higher taxes for its capital goods, informatics, and electronics industry.

The report also states that if Chile joins Mercosur, it will increase its exports to Brazil by only \$2.5 million and its imports of Brazilian goods, in turn, will increase by \$71 million, of which 67 percent would represent a change in trade partners not new deals.

In Argentina's case, it is quite the opposite because, according to the survey ordered by the Foreign Ministry, exports would increase by \$58 million of which 68 percent would represent new deals.

Imports, in turn, would increase by \$100 million, of which \$67 million would represent new deals.

President Frei, General Pinochet Meet

PY1204191794 Madrid EFE in Spanish 1822 GMT
11 Apr 94

[Excerpts] Santiago, 11 Apr (EFE)—General Augusto Pinochet, Army commander and former Chilean president (1973-1990), today held a 20-minute meeting with President Eduardo Frei at La Moneda Palace, according to government authorities.

The meeting raised expectations due to the recent crisis between the government and the Carabineros forces, but the purpose of the visit was for Pinochet to thank the chief of state for his concern for his wife [Lucia Iriarte de Pinochet], who underwent surgery last week, according to an official communique.

The communique states that on the occasion they "also raised institutional Army subjects." Pinochet apparently arrived at La Moneda through underground entrances to avoid meeting with the media.

Last week Frei faced his first government crisis when Carabineros Director General Rodolfo Stange ignored Frei's request for him to resign, after a court ruling charged him with not fulfilling his duties and with having obstructed the court's actions in the case of the murder of three communist leaders in 1985. [passage omitted]

Some analysts considered Pinochet's position of not intervening in the conflict and his statement that the possible resignation of Gen. Stange "was a problem that concerned him alone," were decisive in convincing Stange to accept leaving the post.

CPPD Holds Minority in Senate Committees

PY0704181894 Santiago EL MERCURIO in Spanish
24 Mar 94 p A12

[Excerpt] Valparaiso—Following a heated debate, the Coalition of Parties for Democracy [CPPD] on 23 March received the minority in 16 of 17 Senate committees in relation to the opposition and the government-appointed senators.

The Senate committees were constituted during a voting session. All the committees were constituted with two CPPD senators, two from the opposition, and one government-appointed senator.

This result was described by several senators as "a great defeat" for the CPPD and "a great triumph" for the center right (Unity for the Progress of Chile) in the Senate. Also within the CPPD, the bloc formed by the PS

[Socialist Party], PPD [Party for Democracy], and PR [Radical Party] was strengthened to the PDC [Christian Democratic Party]'s detriment.

During the first legislative term, the CPPD obtained the majority in five committees (defense, labor, government, finance, and mining).

On 23 March, the CPPD obtained a majority only in the Finance Committee, which is considered a "key" issue for the government's economic administration.

This majority was decided by a coin toss that favored PDC Senator Andres Zaldivar, who was tied with government-appointed Senator Carlos Letelier with 30 votes each. (The committees are made up of five members, but in this case there were six candidates).

The other committee members are Jorge Lavandero (PDC), who obtained 36 votes; Sebastian Pinera (RN) [National Renewal], 35 votes; Francisco Javier Errazuriz (UCC) [Center-Center Union], 35 votes; and Carlos Ominami (PS), 34 votes.

The chairmen of each committee will be elected by their own members during the first week of April when they meet to agree on their work methods.

It was learned on 23 March that the right will offer the CPPD the presidency of the Labor and Defense Committees (to Arturo Frei in the latter case). The government-appointed senators will preside over two or three committees; the independents will preside over one or two; the RN will preside over seven or eight committees; the UCC will preside over one; and the Independent Democratic Union [UDI] will preside over two.

The CPPD senators believe the 23 March voting session changes the balance that existed during the last four years and has turned the official bloc into "a minority in all the committees."

This is a "real change" in the political reality and a fact that will have consequences in the Senate's future work, the CPPD senators said.

They said that by joining the committees from which they were left out before 1990, the government-appointed senators left out the CPPD senators. They also pointed out that the government-appointed senators have constituted a new political bloc.

The opposition (RN-UDI-UCC) senators believe the new distribution of posts is the result of "a perfect balance" of harmony and unity in the center right and also the logical result of the parties' representation in the Senate. [passage omitted]

Socialist Party Becomes Leader in Coalition

PY0704170794 Santiago EL MERCURIO in Spanish
24 Mar 94 p C5

[Excerpts] The Socialist Party [PS] is aware that it is currently the leader in the Coalition of Parties for

Democracy, which is a role played by the Christian Democratic Party [PDC] at the political and congressional level in the past.

This comment was made on 23 March by Socialist Youth President Mauricio Bugueno, who said his party has shown that it is capable of politically leading the coalition and that it has been able to face the situation better than other parties, including the PDC.

Asked if he believes the PDC has lost the political leadership of the coalition, Bugueno said the PDC is in a situation of "perplexity and confusion" and that this is proven in some way by the comments made by PDC President Gutemberg Martinez, who said the Socialist Party's current strategy is to become a political choice.

Bugueno said that such a statement is absurd.

Despite the comments by PDC Senators Andres Saldivar and Juan Hamilton denying the PS' leadership of the coalition, PDC leaders at the national, provincial, and municipal level and the militants see with concern that their party is not creating political events or leading the coalition; on the contrary, the party is involved in infighting for leadership that is unnecessarily wearing down the party. [passage omitted]

The PS' talks with the RN [National Renewal] on political reforms have been interpreted as a good political strategy. This led the PDC to talk with the Independent Democratic Union (UDI) on corruption and administrative integrity, which is an issue also being discussed by the PS with the RN. [passage omitted]

Socialist Appointed Youth Institute President

PY0704180694

[Editorial Report] Santiago EL MERCURIO in Spanish on 24 March, page C2, in a 150-word, unattributed article reports that President Eduardo Frei appointed Leonardo Gonzalez, 29, director of the National Youth Institute. Gonzalez is a the Socialist Party Central Committee member.

Under Secretary Calls For Mayors' Probity

PY0704151694 Santiago LA TERCERA DE LA HORA in Spanish 26 Mar 94 p 6

[Report by Patricia Schuller]

[Excerpts] Regional Development Under Secretary Jorge Rodriguez Grossi called upon the Metropolitan region mayors to "begin a clean policy at home" and to "become champions of administrative probity and moral leaders."

Rodriguez met at the Santiago City Hall—for the first time since he assumed his post—with 24 of the 34 mayors that form the Mayors Regional Coordinating Council. [passage omitted]

Rodriguez Grossi said that city halls "are the best organs to solve the problems of the people in view of their close relationship with the neighborhoods." He said they "have the duty to be morally efficient," adding, "municipal efficiency will encourage decentralization."

Rodriguez Grossi added: "Clear policies and administrative probity are essential to the democratic system. Nobody has the right to mishandle public assets." [passage omitted]

Colombia

Cali Cartel Surrenders Said 'Completely Halted'

PA1004152494 Paris AFP in Spanish 0959 GMT 10 Apr 94

[By Andre Birukoff]

[Text] Cali, Colombia, 10 Apr (AFP)—One of the attorneys for a confessed drug trafficker has told AFP that the process whereby Cali Cartel drug "barons" can surrender to justice has been "completely halted" because of the dispute between U.S. and Colombian justice officials. The process had started in March.

One of Julio Fabio Urdinola's lawyers, who spoke to AFP on the condition of anonymity, said: "There are no negotiations under way with authorities. The process has been completely halted."

The jurist made these statements in front of the main gate of Palmira Prison near Cali (490 km southwest of Santa Fe de Bogota), where his client has been detained since his 12 March surrender.

A high security pavilion that will house those drug traffickers who surrender is still under construction at Palmira Prison (40 km northeast of Cali). Construction is expected to be completed in June.

Julio Fabio Urdinola, 29, is considered one of the leaders of the Northern Valle del Cauca Cartel, which is closely linked to the Cali Cartel. U.S. and Colombian narcotics agents are accusing the Cali Cartel of supplying about 70 percent of all cocaine consumed in the United States and Europe. Urdinola's surrender, the first by a Cali drug "baron," took place 11 days after 28-year-old Yonier Espinosa surrendered. Espinosa is also a Northern Valle del Cauca Cartel member.

These two surrenders prompted speculation that Gilberto Rodriguez Orejuela, alleged Cali Cartel chief, could surrender soon. Rodriguez's lawyers were also negotiating with authorities. Urdinola's lawyer, however, pointed out that Rodriguez's surrender is now highly unlikely because of the dispute between U.S. and Colombian judicial authorities. He added: "The North Americans have created a tense situation, because they oppose the surrenders."

On several occasions, U.S. judicial authorities have accused Prosecutor General Gustavo de Greiff of being

too lenient on confessed drug traffickers. The U.S. State Department stopped handing over evidence against drug traffickers, because it believes it has only led to light sentences.

In view of such criticism, the Colombian Government distanced itself from De Greiff, and Attorney General Gustavo Arrieta proposed a revision of the penal code. The current penal code, which has been in force for the past six months, indeed seems to be particularly tolerant of drug traffickers, because in some cases, it stipulates that those who confess are eligible to be put on probation.

Within the past few months, the U.S. State Department also admonished Colombian officials for failing to try a major drug trafficker and for doing nothing to confiscate the trafficker's large fortune.

A visit to Cali can underscore the scope of the wealth of drug traffickers. It is common knowledge that the most exclusive Cali neighborhood, Ciudad Jardin, is almost completely controlled by the local mafia. Ciudad Jardin is a row of beautiful mansions, most of which have pools. High walls protect the most opulent mansions, which are constantly guarded by security agents on permanent alert.

A somewhat nervous taxi driver said during a quick tour of the neighborhood: "You had better not take pictures here; you could be mistaken for a DEA agent."

Presidential Candidates Samper, Navarro Debate

PA1204011494 Santa Fe de Bogota EL TIEMPO in Spanish 6 Apr 94 pp 1, 6a

[Report by Jesus Ortiz Nieves]

[Text] Cartagena—The first live broadcast debate between two presidential candidates took place yesterday in Cartagena during a Socialists International seminar.

Ernesto Samper spoke first before an audience of 500. Antonio Navarro followed; both received the same amount of applause. It was a formal setting, but there were some small quips on coastal humor.

The Liberal and the Colombian Commitment candidates addressed issues such as the scope of social investments, the size of the state, job policy, and the results of the economic opening.

There was a sort of unexpected referee: President Cesar Gaviria, who actually had Samper and Navarro as ministers during the first phase of his government. Navarro arrived on time, impeccably dressed in a suit and tie. He read a speech critical of the government's economic policy and against Samper's proposal. Gaviria and Samper wore guayabera shirts and left the text of their speeches aside.

The president said he strengthened the Armed Forces and justice system. Samper said production will be his priority, because it is the only way to create jobs and provide integral social security for all Colombians. According to Navarro, everyone wanted to take a picture with the neoliberals four years ago, but today, he said, "no one wants to be in this picture."

President Gaviria's participation was a type of testament. He did not hide the fact his government's priority was national security. He defended it by saying all other problems can be considered secondary in view of the incredible threats from violent people. That is why, he said, he substantially increased resources for the Armed Forces and also strengthened the justice system. At the same time the president defended his government's work in the social field. He said social investments were greatly promoted during his administration and, in addition, he reprimanded those who try to turn the macroeconomic debate into the central topic of discussion.

"That is not a relevant topic, at least in Colombia," the president said. His participation was received with a certain skepticism, even irony. When Gaviria said the 50,000 people left unemployed by the state's process of modernization had been replaced by new jobs for professional soldiers, policemen, and teachers, a student said: "Aha! You are playing musical chairs."

The first speaker of the evening was Pierre Mauroy, president of the Jean Jaures Endowment, which had convened the international seminar. The public listened carefully to the president's speech. Despite the Caribbean atmosphere, the guayabera shirts, and a few previous, humorous comments, the audience behaved very formally. After the president spoke there was a brief intermission. Navarro took advantage of the opportunity to say the head of state "is reading the figures backwards," because according to him the number of people with jobs has increased, but its quality has dramatically dropped. According to Samper, we cannot speak of security if we have not yet spoken about production, social investment, and jobs, "lots of jobs."

Gaviria emphatically said his government has not been a neoliberal one. He mentioned the subsidy policies for housing and the policy of administrative decentralization, which has turned over abundant resources to the municipalities so as to provide them with drinking water. Navarro said later it seemed like a paradox how four years ago everyone wanted to be a neoliberal. Samper also said he believes the neoliberalism pendulum is on its way back.

The president was dismissed with a thunderous applause. The fact the president did not bring a written speech forced Samper to leave his behind as well. His speech was eight paragraphs long, and even though its main points were an important part of his presentation, he always made reference to, with a good dose of humor, other topics that were not included.

He said, for example, Kissinger was once paid \$1 million to get a lion and a lamb to live together in the same cage. Kissinger did it. They asked him how, and he charged another \$1 million to answer the question. When he finally revealed the secret, he said he had simply put into the cage one lamb after the other so that the lion would devour them until he was exhausted.

"That is not the peace we want for Colombia," according to Samper, for whom reconciliation must be achieved via a good dose of productivity, which can generate another good dose of jobs, a total of 1.5 million, according to his estimates, for the next few years.

The political debate ended with a handshake and with Navarro's promise they would see each other again before the runoff elections and with Samper's promise there would not be a runoff election, "because I will win by a knockout."

Candidate Navarro Accuses Samper of Harassment

PA1204001994 Santa Fe de Bogota Inravisión
Television Canal A in Spanish 0130 GMT 11 Apr 94

[From the "AM/PM" newscast]

[Text] Throughout last week, the relationship between Antonio Navarro Wolff and Ernesto Samper was very active, so much so that Navarro accused Samper of harassment. The story began 5 April in Cartagena at the Socialist International Summit.

Samper, in a first seductive move, tried to have his picture taken next to Navarro. Navarro played hard to get, but in the end the picture was taken. Samper said his social and economic platform coincided with Navarro's. Next in this new love affair, Navarro told Samper this was not true and described Samper as a neoliberal, saying in social matters, the peace process, and concerning corruption their views were very different.

The next day when the coastal press published reports on the alleged love affair, Navarro reacted. He spoke of harassment similar to that of Miguel Angel Bermudez. Then, on 7 April there was a commotion on the air of RCN [Radio Cadena Nacional]. Samper's harassment reached the point where he proposed to Navarro a legal matrimony and told him the doors were open until the day of the elections. Navarro answered his suitor [pretendiente] yesterday in Cali.

[Begin Navarro recording] I want to tell Dr. Samper once and for all, with all due respect but with all clarity, to quit that story. We represent a different project from the one he represents, and we do not accept terms or invitations that definitely do not match our way of doing things or that of our people. [end recording]

Today Samper insisted on the wedding.

[Begin recording] [Samper] I believe Navarro thinks deep-down that if we are close to a 51-percent popularity

rating and there will not seemingly be a runoff election, it is best to jump onto the winning bus.

[Navarro] Dr. Samper is hoping I give up my candidacy to support him, but no way. The dawn shall come, and I will not support him. [end recording]

Poll Puts Candidate Samper in Lead

PA1304044794 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1800 GMT 10 Apr 94

[Report by Carlos Mario Diaz; from the "NTC News" newscast]

[Text] The two leading presidential candidates' intense political activities along the Atlantic coast coincided with a survey published by the newspaper EL TIEMPO today showing Ernesto Samper received 49 percent of voter support compared with 39 percent for Andres Pastrana. This brings Ernesto Samper close to the percentage of votes that would determine the presidential elections in the first round.

[Begin Samper recording] I think the decision to choose Dr. Humberto de la Calle was predictable, as the report so clearly states. He is a serious, very responsible person, a great constitutionalist, and he is well aware of the country's problems. He guarantees not only a responsible ticket but also the Liberal Party's unity. [end recording]

Samper also warned of the risks of being overconfident:

[Begin Samper recording] My principal enemy at this moment is overconfidence. I ask all those who have supported me, especially the Liberals, not to ease up in this campaign. The election is not won yet. It is true things are going along very well, but we must do better to exceed the 50 percent needed to win in the first round. [end recording]

Samper and Pastrana concentrated their political activities on the Atlantic coast. This area of the country has become a decisive factor in the campaign, given its enormous electoral potential.

General Responds to Dismissal, Rejects Charges

PA1304140394 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1730 GMT 11 Apr 94

[Interview with former General Jesus Armando Arias Cabrales by Sandra Vergara; place and date not given; from the "Noticiero Nacional" program—recorded]

[Text] [Vergara] Do you feel responsible for the civilians reported missing or killed in the Justice Palace takeover?

[Arias] I do not feel responsible, nor do any of my men. We have never felt responsible for the situation. The responsibilities we assumed were determined by operational directives and dictated by our commanders. Of course some people died, but everyone tends to forget or

they neglect to mention that the public forces' actions allowed us to rescue more than 250 hostages.

[Vergara] Do you feel like the scapegoat for this whole thing?

[Arias] Yes, I think so, judging from the results of the Attorney General's Office investigation, meaning the resolutions issued in 1989 implying that Colonel Edilberto Sanchez and General Arias were the only ones at the Justice Palace. This is not a matter of blaming someone else. The investigation should have been more thorough and decisions should have been based on the facts.

Socialist Renewal Guerrillas Surrender Weapons

PA1104191194 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0130 GMT 10 Apr 94

[From the "TV Today" newscast]

[Text] Eight months of negotiations ended today with a peace agreement between the government and 430 guerrillas of the Socialist Renewal Movement, CRS. The rebels turned in their weapons to Dutch Government and Socialist International representatives at a ceremony today in Flor del Monte, Sucre Department.

The CRS today formally surrendered their weapons and began making peace in the presence of peasants from Sucre Plains, more than 12 ambassadors from various countries, village priest Nel Beltran, Government Minister Fabio Villegas, members of the Advisory Board for Peace Issues, and media representatives.

[Begin recording] [First guerrilla] I am anxious to see my family, I haven't seen them for a long time.

[Unidentified reporter] What is your main concern?

[First guerrilla] We are not worried as much about the Army or the government as we are about other guerrilla groups.

[Second guerrilla] We know what has happened to many demobilized guerrillas, and we are afraid it could happen to us. [end recording]

Most of the rebels are under 30 years old. They say they will return to civilian life and to their homes to study and to work toward improving the country. Today they turned in their rifles, pistols, and grenades. Some of the weapons were dropped into the sea off the coast of Barranquilla. The other weapons, it was reported, will be melted down to make three bells for Flor del Monte, Ovejas, and El Pinar.

Here is Guillermo Perez, a member of the Advisory Board for Peace.

[Begin Perez recording] This is a victory for peace, for the reconciliation of all Colombians, which strengthens our hopes of building a democracy through the consolidation of peace. [end recording]

During the ceremony, the rebels remembered their comrades killed in action and mothers cried for their sons. Afterward, the rebels began their journey into civilian life. They departed in buses to Uraba, Barranquilla, Santa Marta, Pereira, and other places. They said they will participate in politics.

Many believe this was the Gaviria administration's last card for peace.

[Begin Government Minister Villegas recording] We have shown that there are options for peace in our country and that the vast majority of Colombians are rejecting violence and terrorism as a form of political expression. [end recording]

The government will issue identification cards and military cards to those who do not have them and will make loans of up to 4 million pesos per person to be used in productive projects. In addition, each demobilized member will receive 170,000 pesos per month for a year.

The rebels will create a political organization that will also be called CRS. They will automatically have two representatives in the Chamber of Representatives. CRS members will be asked to submit blank votes in the upcoming elections.

Thus 433 CRS guerrillas departed from Flor del Monte on the afternoon of 9 April to embrace peace.

The residents of Flor del Monte are afraid that other guerrilla groups could replace the CRS rebels. The agreements, however, contemplate the establishment of a verification commission, including the presence of soldiers and church members in Flor del Monte.

Disagreement Between Pastrana Alde, Caracol

94P20637 Santa Fe de Bogota EL TIEMPO 26 Mar 94
p 8A

[Text] Another incident between Caracol and the presidential campaign of Andres Pastrana occurred yesterday.

Ricardo Alarcon, president of the [Caracol] radio station, said that Luis Alberto Moreno, Pastrana's campaign director, had publicly threatened to declare "war" on him and had done so in the presence of the presidential candidate.

Alarcon sent a letter to Moreno yesterday asking for an explanation and telling him many people are thinking that with this kind of behavior he is driving more people away from Pastrana than he is attracting.

There has been no response from Moreno who, at the close of this edition, had still not seen the contents of the letter.

The circumstances surrounding the incident have to do with the alleged censuring, by the station, of the Tunja

news director's interview with the candidate and his wife which was to be aired on the "Personality of the Week" program.

On 14 March Moreno sent a letter to Alarcon in which he protested the decision by Caracol—which has not yet been explained—not to air the interview.

Relations between the campaign and the radio station have been tense since Andres Pastrana decided not to accept contributions from the Santo Domingo Group, which owns the station.

Alarcon's letter to Moreno states the following:

"The fact that I have been abroad for the past few days has prevented me from responding to your letter of 14 March.

"I deeply regret that, once again, you have misunderstood Caracol's position with regard to the presidential candidates.

"With respect to news information, our policy has been, and will always be the same: to defend the right of our listeners to be well informed. This is a reality which we are able to substantiate and which you are aware of as a cabinet minister and now as director of Dr. Andres Pastrana Arango's campaign.

"I cannot refrain from referring to the incident which transpired on 16 March in the El Campin stadium at the Colombia-Sao Paulo match. At that time and in the presence of a group of people, among whom was Dr. Andres Pastrana, you threatened me with a 'war.'

"Of course, I would not hesitate to let the angry incident pass, or forget your angry and disconcerting reaction, understandable perhaps in the light of certain political facts and realities, but there is a lingering doubt. I don't know whether I should take your defiant threat, 'if you want a war, you will have a war,' as intended for Caracol, or for the entire Santo Domingo Group.

"If the above is serious, you should let us know beforehand what this war involves and what the arena will be. If, on the other hand, it was brought on by a fit of temper or was the result of a difficult moment, we would like to have an explanation of the incident.

"Many people think, ourselves among them, that you are driving more people away from Dr. Pastrana Arango than you might think you are attracting."

Paraguay

Wasmosy Returns From Europe, Reviews Results
PY1204221994 Asuncion ABC COLOR in Spanish
10 Apr 94 p 6

[Text] President Juan Carlos Wasmosy returned to the country at noon on 9 April after visiting Belgium and France. On arriving at the airport he reviewed his main

activities in Europe. In view of the fact that in Europe he had reiterated his desire to privatize state enterprises, he was asked about the Senate's determination not to privatize ANDE [National Electric Power Administration], Corposana [Water and Sanitation Corporation], Antelco [National Telecommunications Administration], and INC [National Cement Industry]. He answered that he fully respected the senators' decisions, but he made it clear that he will inform himself fully of the scope of that decision and will speak afterward with the senators. "It is not a question of talking about privatizing enterprises.... For example in ANDE's case, the distribution, maintenance, invoicing, etc., can be privatized. This can even be done through bids or with the private sector," he insisted.

He commented that he had asked for "fresh resources in terms of foreign investment, nonreturnable cooperation, and the financing of the expansion of social programs." He stressed that he had received the EC's commitment to support these plans, and that, of course, he had discussed our democratic process. He also stated that he had discussed the situation of the Pilcomayo River, state reform, the third stage of industrial reconversion, and the Chaco's sustainable development, etc. He gave no details on these points.

He then said: "It is not the government's idea to get the country into debt, but to advance in accordance with our possibilities so as not to affect the pocket and stomach of the people.

"I have spoken about the openness of our government in the sense that governments and the armed and police forces are always accused of corruption. Moreover, in some European countries the winners of bids even figure on their balance sheets the commissions they pay to Latin American countries," he said. He announced that, together with other chiefs of state, they hope to "submit a project of openness" during the meeting they will have with President Bill Clinton on 9 and 10 December in Miami, Florida, referring to the Summit of the Americas.

He announced that he had found the possibility of modernizing our railway in order to count on a rapid transit system between Asuncion and neighboring towns. He even spoke of the intention of connecting Asuncion with Itaipu Lake and finally with the [Paraguay-Parana River] waterway through a railway system. A mission is going to come for the technical studies, but for the time being there are no details. Finally, he admitted that our country is unknown in Europe. "I am pained to see that we are not known in the world," he said.

Interior Ministry Official on Alleged Arab 'Terrorists'

PY1204133594 Asuncion ABC COLOR in Spanish
10 Apr 94 p 60

[Text] According to Interior Vice Minister Ruben Villalba Cataldi, two Arabs presumably entered our country

with the intention of carrying out illegal actions, but one of them has apparently already left the country.

Moreover, the National Police limited themselves to reporting that they are checking out the information that has been provided by the Israeli Secret Service, through the Israeli Embassy, indicating that Arabs had reportedly entered the country with the objective of carrying out attacks against Israelis.

Despite the fact that the police did not provide many details, Villalba Cataldi stated that there is information that two Arabs entered the country with that purpose in mind. One of them has apparently already left the country, while the other is being sought by the police, according to the vice minister.

Commissioner Enrique Martinetti, chief of the Intelligence Department, stated that an investigation has already begun in cooperation with the Migrations Department, Interpol, and authorities of the 4th Police Zone based in Ciudad del Este, as it is believed that the Arabs entered the country through that city.

The Israeli Embassy has not been observed to have taken any special measures for the security of its diplomats and officials.

Brazilian Drugs, Arms Trafficking Ties Probed

*PY1204142594 Asuncion ABC COLOR in Spanish
10 Apr 94 p 12*

[Excerpt] Interior Minister Carlos Podesta on 9 April announced that the government is going to investigate the local connection with an international network that deals in narcotics and arms trafficking and money laundering. He confirmed that "numbers game kingpin" Miro Garcia had been seen several times in the casino in Ciudad del Este that belongs to Carlos Barreto Sarubbi. Podesta confirmed that Garcia is linked to "the world of illegal gambling" in the neighboring country.

"They are things that have to be investigated, because one never knows whether it is simply media speculation or whether it goes beyond that, and in this case the government is going to investigate," the minister said, when asked about a published report regarding the discovery of an international network dealing in smuggling, narcotics and arms trafficking, and money laundering with connections in Ciudad del Este. "This Garcia is known in the world of illegal gambling in Brazil," the minister confirmed. In the investigations Garcia appears to be seriously involved in being pinpointed as the "numbers game kingpin." As is known, the "animal lottery" (a game) is banned in Brazil; it is similar to the numbers game played in our country, with the difference that the cards have pictures of animals instead of numbers. According to the Brazilian police, this game was implemented by the mafia, and it seems that it is a cover for other illegal activities such as the laundering of dollars, smuggling, and narcotics and weapons trafficking, among other things.

Podesta stated that he had information that Garcia is apparently involved in arms or drug trafficking. "This is why I am waiting for my men (investigators) to tell me how they plan to coordinate and begin actions to clarify this charge," he promised. [passage omitted]

General Discusses Corruption Within Military

*PY1204201294 Asuncion ABC COLOR in Spanish
9 Apr 94 p 5*

[Text] "It is unquestionable that there is corruption within the Armed Forces, as in any other level of our civil society." This remark was made yesterday by General Anibal Rejis Romero (retired) during a break at the Armed Forces seminar that is currently being held at the Chamber of Deputies building.

Gen. Rejis Romero and his colleague Mario Escobar Anzoategui, also retired, participated in the seminar on "International Meeting on Military Issues," at the Chamber of Deputies, which was also attended by Argentine and Paraguayan congressmen and special guests.

Gen. Rejis Romero skirted round the issue of corruption quite craftily. He nonetheless acknowledged that "nowadays, thanks to the invaluable help of the press, we are learning that some members of the Armed Forces have also fallen into corruption—that general so-and-so is well off, but what's-his-name has this and that, etc. Nevertheless, the fact that a sergeant, a captain, or maybe a colonel are involved in corrupt practices does not give us the right to say that the Armed Forces are racked by corruption. This is not so," he warned.

He conceded that "we can all make a slip, but this is no reason to implicate the entire Armed Forces. The Armed Forces are too great and meritorious to mix them up with individual actions," he said.

Later in the interview, the retired general said that a war is being waged against corruption. "Have you not read that the Army commander in chief has ordered the investigation of criminal acts? A pre-trial inquest was ordered not long ago to identify those guilty of smuggling logs out of the country, after charges were made in Pacova, Canindyu District. A sergeant was indicted for this crime, but this does not entitle us to involve the Armed Forces as a whole in it," he explained.

Gen. Rejis Romero further stated that relations between the military and the public are more intense at present because there are many officers who are attending school. "This was totally forbidden during the dictatorship. Things are different now. The commander in chief allows officers to go to the university, where they are brought into contact with other citizens," he stated. Gen. Rejis Romero declined to answer a question about the prevalence of authoritarianism in the government's top echelons, saying that as he had been retired for months, he had relinquished all official duties and was therefore

not abreast of current affairs. He later praised the Army commander in chief and the military leadership.

Peru

Robaina Urges Businessmen To Invest in Cuba

PY1204130294 Madrid EFE in Spanish 2209 GMT
11 Apr 94

[Text] Lima, 11 Apr (EFE)—Cuban Foreign Minister Roberto Robaina today invited Peruvian businessmen to invest in Cuba, and added that his country has opened its doors to foreign capital by granting juridical and constitutional support.

Robaina, who arrived in Peru on 10 April on a two-day official visit, today held a working meeting with 200 private businessmen to inform them about the incentives that the Cuban Government is granting to foreign capital.

Robaina said that the Cuban opening is "generally considered a priority, but within this perspective we want to prioritize Latin American investments."

Explaining the Cuban juridical framework that regulates foreign investments, Robaina said that "it is sufficiently clear and flexible so as not to cause any mistrust."

He added: "This can be certified by investors from Spain, Canada, Italy, France, Argentina, Brazil, and Colombia, countries that have already invested in Cuba and with which we maintain good relations."

Robaina also said that Cuba "is not asking anyone to adopt its political ideology as a precondition for the establishment of economic ties, because these foreign investments are in line with Cuban national interests."

Commenting on current Cuban economic problems, Foreign Minister Robaina said "they are the result of many factors, but the greatest obstacle is undoubtedly the U.S. commercial blockade."

Robaina today held a meeting with Peruvian Foreign Minister Efraim Goldenberg, with Congress President Jaime Yoshiyama, while tonight he is scheduled to hold a news conference.

On Tuesday, the last day of his visit, Robaina will carry out private activities. He is scheduled to resume his South American tour, which started last week in Montevideo and also includes Argentina and Paraguay, on 13 April.

Goldenberg Discusses Relations With Ecuador

PY1204200994 Lima EXPRESO in Spanish 5 Apr 94 p A6

[Text] Yesterday Peruvian Foreign Minister Efraim Goldenberg reiterated that Eduardo Ponce, the Peruvian ambassador in Quito, will continue in his post as the Peruvian Government sees no reason to replace him.

Moreover, he asserted that there is no problem with the Ecuadoran Government. The minister stated: "The Peruvian ambassador in Quito does not need to be confirmed in his post. Ambassadors are appointed, and cannot be confirmed in their posts. Ponce therefore continues to be Peruvian ambassador to Ecuador until the Peruvian Government decides otherwise."

Goldenberg said that the relationship between the two countries is satisfactory. "Ecuadoran Foreign Minister Diego Paredes, with whom I met in Washington recently where we both voted for Colombian President Cesar Gaviria as new OAS secretary general, can himself tell you that."

Regarding Argentine Foreign Minister Guido Di Tella's visit, Goldenberg explained that it is to return the visit he paid to Buenos Aires last December.

Among the subjects on the agenda, he said, are the arrangements for President Carlos Saul Menem's upcoming visit.

Moreover, he announced that a group of Peruvian Government officials who belong to the Commission for the Promotion of Private Investment (Copri) will shortly travel to Buenos Aires. He said that "Argentine businessmen want to participate in the privatization process," and then mentioned that this will be another issue he will discuss with Di Tella.

Fujimori Rejects Judicial Legislation Report

PY1204234094 Lima LA REPUBLICA in Spanish
7 Apr 94 political section p 4

[Excerpt] President Alberto Fujimori said the United States has no moral authority to criticize Peruvian judicial legislation because injustice is also committed in that country.

Regarding the report released by the commission headed by well-known jurist Robert Goldman, President Fujimori said the commission's criticisms do not match the real Peruvian situation.

Fujimori said: "Injustice also is committed against ethnic minorities in the United States; therefore, that country has no moral authority to criticize us."

Fujimori added that the Peruvian Government's position regarding the Goldman report is established in the letter signed by Justice Minister Fernando Vega Santa Gadea, which considers the criticisms of the Peruvian judicial system unfounded.

According to the Goldman report, the Peruvian judicial system is not independent and many innocent people remain in prison due to the excesses of the antiterrorist legislation approved by the government.

Fujimori also said on 6 April that the antiterrorist legislation already has been changed four times and no more changes will be made.

He noted: "The antiterrorist legislation was necessary in the struggle against terrorism. It is logical to make mistakes when enforcing the law."

"What I am convinced of is that we should not allow violence to take over the country," said Fujimori in ratifying his support for the antisubversive regulations.

He admitted there are cases in which innocent people are accused but he said this does not mean they are the majority of those accused or arrested for terrorism.

Fujimori also expressed satisfaction with the release of eight reporters accused of praising terrorism and he regretted they had to remain in prison.

He blamed the judicial branch for this problem, and indicated that the branch is still slow in clearing charges against innocent people.

In an effort to defend himself from criticism, Fujimori said there is a clear intention to do justice, which was shown with the reporters' release.

"This shows that freedom of expression is respected here," said Fujimori to the reporters who asked him about this issue.

Asked how many innocent people are still in prison, Fujimori said he did not want to talk about percentage but that there are not too many.

He added: "But there are flagrant cases that should be corrected."

Fujimori indicated, however, that the fact that the accused are doctors or reporters does not give them impunity if they are linked to subversive activities.

He added: "There are cases in which some doctors appear committed in Shining Path military operations or in support of the People's Aid of Peru." [passage omitted]

Editorial Condemns U.S. 'Aggression' in Report
PY1204211094 Lima EXPRESO in Spanish 3 Apr 94
p A38

[Editorial: "Another State Department Aggression"]

[Text] The U.S. State Department is responsible—regardless of its good or bad intentions—for another attack against Peru. This time through the disclosure in Washington of a report on Peruvian justice prepared by a commission of international jurists sponsored by the U.S. State Department. This reported was widely covered by the international media.

An AFP report, for example, disseminated throughout the world states that according to that commission, "the reorganization of the Peruvian judicial branch carried out by President Alberto Fujimori since his self-inflicted coup has seriously eroded, if not eliminated, the independence of this branch in Peru." The report urges Peru

"to eliminate anonymous judges, define with precision what the crime of betrayal of the fatherland entails, and review the decree law against terrorism."

The damage this information causes Peru is obvious, especially taking into account that it does not reflect reality. It is no secret that the Peruvian judicial branch currently is undergoing a deep-rooted reform, ranging from the appointment—not by the executive branch but by the Disciplinary Board for Magistrates, which enjoys consensus—of worthy and capable judges to an efficient and modern administration of the institution and the implementation of new modern procedural codes.

For the first time in the republican history of Peru, our Supreme Court members are selected after passing difficult tests and not due to political influences. These judges enjoy full independence because they owe nobody in the executive branch or Congress, except their own ability, for their posts. But neither the commission of jurists nor the State Department ever mentions this fact. To ignore this, especially under the circumstances Peru has experienced, represents a lie.

The antiterrorist laws—harsh and of a summary nature in the beginning—have made it possible to severely punish terrorists who in the past almost always were freed, and at the same time give them a chance to repent. This formula has been an effective legal and psychological tool in the struggle against terrorism, which by far is the main threat not only to human rights, but also to the survival of the Peruvian nation. Moreover, these laws have become more flexible through the implementation of other measures approved last year before these pure and immaculate jurists finished their report. These laws will be made more flexible in a gradual and prudent manner. The Peruvian citizenry is not willing to run any risks....

Therefore, what is the U.S. State Department's purpose in giving the world a distorted image of Peru? Why isn't Peru judged the same way as countries such as the PRC and Mexico, whose judicial and electoral institutions are indeed pinpointed by the executive branch?

The parameters used for Peru are so different and so shockingly incapable of taking into account—for many obvious reasons—the same considerations given other countries, that one wonders whether what really bothers the U.S. State Department is the fact that the Peruvian president is of Japanese descent and may thus represent, in the nightmares of U.S. officials, the spearhead of Japanese economic power pointing toward Brazil, where the largest Japanese colony in America resides and from where the soybean that the all of Asia consumes comes.

If this were the case, which we believe is not, the State Department should say it aloud. It is no secret that during World War II niseis were persecuted in Peru with the support of the local authorities that ruled at that time and under the sponsorship of the also Democratic Washington administration at that time. We wonder whether

the commercial war that is about to be unleashed between these two powers also will be fought over our heads?

Peru now is proud to have, in the midst of its poverty and most serious domestic decay, given intelligent and successful answers to win the internal war that already has resulted in so many deaths.

Therefore, the fact that the State Department sponsors the international dissemination of a deceitful, superficial, and slanderous report drafted by four jurists, as the justice minister has rightly stated, after a stay of only three days in our country represents a lack of respect for our country.

Yoshiyama 'Virtually' Confirms Fujimori Candidacy
PY1304002394 Lima LA REPUBLICA in Spanish
5 Apr 94 p A3

[Text] Congress President Jaime Yoshiyama on 4 April predicted that the declining figures in favor of President Alberto Fujimori's candidacy will pick up as soon as he starts his electoral campaign.

Yoshiyama thus virtually made official Fujimori's candidacy for reelection, something the chief of state has refused to confirm so far.

Yoshiyama thus refuted poll results that show former UN Secretary General Javier Perez de Cuellar as the undoubted winner of the presidential elections.

Polls show 47 percent support for Perez de Cuellar and only 38 percent for Fujimori.

Fujimori's "representative" also referred to Perez de Cuellar in stating that all candidates who live abroad should go into the opposition to debate the president and state their viewpoints.

Without mentioning his name, he said the candidates who live abroad should come to the country and dirty their shoes by visiting different points of the country.

He also said it would be good that Fujimori remains president to be able to continue his pacification and economic stabilization program.

Yoshiyama later said that the delay in the beginning of ordinary Congress sessions is due to the need for the committee presidents to coordinate their debate agendas to make them as productive as possible.

Legislator Henry Pease has repeated charges that government representatives seek to delay beginning Congress sessions to prevent the debate of electoral bills and others such as the ones on fiscal policies and municipalities.

Pease charged that there is an attempt to implement an electoral system that everybody regards as untimely and inconvenient for the country because it is unreasonable.

Yoshiyama, in turn, said that among the draft bills to be debated are those for the electoral system, which will allow the system's reorganization, as established by the new Constitution.

He commented that it will prevent any chance of fraud and will allow clear elections.

The Congress president added that the important thing is whether there is any political will to hold clear elections with the presence of international observers.

He commented that Congress will make the laws clearer so there is no intention of fraud, as the opposition groups have charged.

He added that the Constitution was approved by the large majority of the people and all that remains to be done is to adjust the electoral law to it.

Yoshiyama said he is not against the establishment of an independent body to supervise the elections, as some groups have proposed.

He said that everything that will contribute to a clear process is welcome; the presence of international observers and the media is something in favor of the electoral process.

Another bill that must be debated is the one referring to ownership certificates that will allow the distribution of 2 million title deeds to farmers.

He added that next week Congress also must debate the water and education draft bills.

The Congress president made these statements after a ceremony to mark the 95th anniversary of the Japanese emigration, which also was attended by Japanese Ambassador Nobuo Nishisaki.

PDC Urges Democratic Front To Oppose Fujimori
PY1304024094 Lima LA REPUBLICA in Spanish
5 Apr 94 p 7

[Text] The Christian Democratic Party [PDC] on 4 April proposed the establishment of a Democratic Front encompassing the widest social and political spectrum to oppose the Alberto Fujimori administration's plans to remain in power.

Addressing a PDC rally at the Ovalo on Saenz Pena del Callao Avenue, PDC President Julio Luque Tijero called on all democratic political parties, labor centrals, federations and unions, peasants, professionals, and students to join this front.

The current PDC leadership held the rally "as a sign of mourning for democracy on the second anniversary of the rupture of the national institutional order," on the occasion of the self-inflicted coup perpetrated by President Fujimori with the support of the Armed Forces high command.

In his speech, Luque Tijero said the PDC "looks favorably upon the presidential candidacy of Javier Perez de Cuellar," who is heading voters' opinion polls by considerable margins.

Speaking later to LA REPUBLICA, PDC President Luque Tijero said: "The main objective of all Peruvians with democratic heritage is the defeat of the concealed dictatorship headed by President Fujimori." He added that the Democratic Front should elect its presidential candidacy through a consensus.

He said: "I believe that in this case all of us must look beyond any selfish party ambitions or ideologies and that Perez de Cuellar is the person who will enjoy everyone's support."

In his address at the rally, Luque Tijero warned citizens and international public opinion about the danger that "at any time" the government may decide to either postpone or not hold the 1995 elections.

He said: "President Fujimori has an extensive record so as to be able to trust him. First, he won over the people's confidence by promising that he would not implement an economic 'shock' program but he turned around and enforced a brutal 'supershock' program."

He added: "Later, he swore before God and the fatherland to uphold and enforce the Constitution but he abruptly violated it exactly two years ago. Now that polls show that his popularity is sharply declining, who can guarantee what Fujimori will do tomorrow?"

In this regard, he said the country must stay alert and united in case of eventual election fraud or any attempt to perpetrate another coup.

Luque Tijero said: "Not only all Peruvians but also international public opinion must be alert."

To this effect he called upon all democratic governments of the world, particularly those who comprise the so-called "Support Group," and international organizations such as the United Nations, the OAS, the ILO [International Labor Organization], etc., to demand from the Fujimori administration the full and effective upholding of the sovereign will of the Peruvian people expressed in free elections.

For our part, stated Luque Tijero, we have addressed letters to international organizations that represent the PDC such as the Christian Democratic International and the Christian Democratic Organization of the Americas.

Present at the 4 April rally were delegations from the Peruvian Port and Maritime Workers Federation, the PescaPeru [State Fishmeal and Fish Oil Production Agency] Workers Federation, and other Callao port labor unions.

Sergio Valdivia, secretary general of the Port and Maritime Workers Federation, who harshly criticized President Fujimori's administration's antilabor policy, delivered a speech before Luque Tijero.

Police Said Respecting Human Rights of Traffickers

PY1204222694 Lima EL PERUANO in Spanish 5 Apr 94 p A7

[Text] Respect for the human rights of those arrested on drug trafficking charges in the Upper Huallaga zone is no longer a cold guideline given by the military and police commands. It is now a conscientious action taken by all members of the Army and the National Police operating in that part of the Peruvian jungle.

On 2 April in San Martin, an inhospitable area in the Tarapoto jungle, a Dinandro [National Antidrug Division] patrol supported by the Air Police detected a lab for processing cocaine base and acted by surprise. Not even the torrential rain or the thunderstorm stopped police, who arrested five people.

After the operation, police seized 128 kg of cocaine base, many ingredients for making the drug, and a shotgun.

Back at the Tarapoto airport the arrested were taken to the police station. The police then, without knowing reporters were present, gave the arrested soft drinks and their own food rations they used in their operations.

None of the arrested showed signs of violence on their bodies when they were put under the jurisdiction of judicial officials. They also never complained about being mistreated by police.

A police sergeant said: "We always respect the rights of the people we arrest, even under the most adverse circumstances after they use their weapons on us and we capture them."

This National Police action, without the tempting presence of cameras and microphones, shows that human rights are indeed respected in Peru and that there is no need for "spokesmen" abroad to report alleged human rights violations. The real situation is in that remote region where perhaps one of those "spokesmen" never saw what happened.

Huallaga Front Commander on Counterinsurgency

PY1204233794 Lima EL PERUANO in Spanish 5 Apr 94 p A4

[Interview with General Alfredo Rodriguez, chief of the Huallaga Countersubversive Front Command, by Braulio Orellana Flores; place and date not given]

[Text] [Orellana] General Rodriguez, how is the pacification process developing in the Huallaga Countersubversive Front under your command?

[Rodriguez] Regarding the pacification process, we can say that it is 90 percent under control in the northern region (San Martin). This means that the MRTA (Tupac Amaru Revolutionary Movement) and Shining Path [SL] have been almost totally annihilated. In the southern region (mainly in Tingo Maria) we are still facing problems with subversion because the last subversive groups persist in their genocidal venture and have not surrendered to authorities. However, I can inform you that the entire area will be completely under control very soon.

[Orellana] The legal measures issued by the government, such as the Repentance Law, have yielded excellent results in other regions. What was the impact of this legislation on the antiterrorism struggle?

[Rodriguez] Look, initially these measures were received with some mistrust in the region. People did not believe they would result in anything positive. It was thought that the measures' objective was to pressure people. Time has gone by and these people, I cannot say to what sector they belong, have realized how mistaken they were. There have been many terrorists who have voluntarily resorted to the Repentance Law without any sort of pressure.

When these terrorists presented themselves to the Armed Forces barracks and units their human rights were respected, and this attitude also has influenced subversives to resort to this new law.

[Orellana] What other factors have yielded positive results in the counterterrorist struggle in the Huallaga Front?

[Rodriguez] In addition to the Armed Forces' actions and the legal measures, we can say that citizen participation has been another fundamental element in winning the war against terrorism. Their cooperation has been valuable in the last few years.

In addition, the Armed Forces are actively participating in this effort and we are constantly engaged in clashes with terrorist groups with very positive results.

Finally, I must say that psychological operations are also an essential part of the war we are currently waging against the SL and MRTA. In the jungle area, we drop pamphlets from our airplanes telling terrorists, who have been recruited by force, about the serious mistake they are making by staying with the terrorists. Many already have abandoned these shelters and surrendered under the Repentance Law.

[Orellana] In the Huallaga Front, there have been some cases of the involvement of military officers with drug traffickers. What can you tell us in this regard?

[Rodriguez] We have sustained harsh blows from these bad elements of society who have seriously damaged our institution. The Peruvian Army will never allow its members to be involved in this illegal activity.

However, we bear the full responsibility and we fully trust that this situation will end there. Corruption is not part of the Armed Forces' institutions.

[Orellana] How are you combating drug trafficking in the Huallaga Front under your command?

[Rodriguez] At the present time, our units, our commands, and the Huallaga Front commander himself are directly involved in fighting drug trafficking.

We are constantly destroying airfields and the shelters the drug traffickers build in the more remote jungle areas. We conduct dragnet operations whenever we have specific information to capture the "drug traffickers" and this is yielding very good results.

[Orellana] This, of course, is forcing drug traffickers to withdraw to other areas where they are also under attack.

[Rodriguez] Quite so. We are destroying all illegal activity in this area. This is why drug traffickers are withdrawing to other areas, where they are being attacked in the same manner. They will have no way out when we control the entire region.

We witnessed this when we seized three metric tons of cocaine paste some time ago in Manu. We have had access to this information since January. This is very important for us because very soon we will eradicate them from the entire San Martin region, although not entirely.

[Orellana] General, how has the respect for human rights developed in the pacification process?

[Rodriguez] We uphold human rights in every aspect of the word. There are no human rights abuses in this area. If there have been charges in this regard, they have been from biased parties uninterested in seeing the Armed Forces working in the region.

I will give you one example: When we entered Bellavista within the framework of a military operation that upheld all the laws in force and that even appointed a special prosecutor, there were people who reported that the alleged terrorists we arrested had been allegedly mistreated. All these fabrications were later denied by the special prosecutor who accompanied the military operation.

[Orellana] Does this mean there is no evidence of the alleged human rights violations charges that have been raised?

[Rodriguez] No there are not. None of the charges raised against the Armed Forces' activities in the area have been proven. Perhaps some may have been very aggressive but this does not mean that people have deliberately committed abuses against those arrested in Huallaga.

Ex-Major Charges Military Protects Traffickers*PY1204214694 Madrid EFE in Spanish 2325 GMT
11 Apr 94*

[Text] Lima, 11 Apr (EFE)—It was disclosed today that a high-ranking Peruvian Army chief has been accused of heading a military organization that protected drug traffickers in exchange for money.

General Eduardo Bellido, current Peruvian military attache in Israel, was charged by retired Major Evaristo Castillo with letting drug traffickers operate in Huallaga, where he was political-military commander during 1991 and 1992.

Castillo, who said he has been harassed and received death threats, asserted that in 1992 Bellido ordered his troops not to intervene in the struggle against drug trafficking and that they only fought terrorism.

The retired Army major stated that the alleged links Peruvian military officers maintained with the drug mafias "are a complete system" and that it is not only isolated cases of corruption involving certain officers.

He thus disagreed with a recent U.S. State Department report stating that one of the obstacles facing the fight against drug trafficking in Peru is the corruption of police and military officers, but that the problem does not have an institutional character.

Castillo stated that in 1992 he witnessed how chiefs of battalions under Bellido's command collected protection fees from drug traffickers to let them operate and then handed that money over to Bellido.

As an example he mentioned that the general never ordered the arrest of the most important Peruvian drug trafficker, Demetrio Chavez Penaherrera, aka Vaticano, arrested last February in Colombia, "although he knew where he was through Intelligence Service and DEA [Drug Enforcement Administration] reports."

He also asserted that the Peruvian military also knows where Colombian trafficker Waldo Vargas, aka Ministro, operates and is not doing anything to arrest him.

Venezuela**Disip Defuses Pipe Bomb Near Banco Latino***PA1204171194 Caracas Venezolana de Television
Network in Spanish 1604 GMT 12 Apr 94*

[Report by Annerys Gonzalez; from "The News" newscast—live relay]

[Text] Disip [Directorate of Intelligence and Prevention Services] members arrived at San Martin Avenue at 0910 [1310 GMT] this Tuesday to defuse an alleged explosive found near a Banco Latino automatic teller

machine. Well-protected members of the Disip Explosive Division are proceeding to defuse the pipe bomb. An official is signaling that the situation is under control.

As you can see, people were ordered out of the building to avoid any possible mishap.

Disip officials picked up a polyethylene bag—apparently containing an explosive device—and put it inside this truck to transport it to a location where it can be detonated. Members of the Special Action Brigade of the Judicial Technical Police [PTJ] and officials of the Disip Explosive Division arrived at the location to take pictures of the pipe bomb before it was detonated.

As you can see, all security measures are being taken to carry out this operation. Additionally, vehicle traffic in the area was stopped to prevent injury to people near the explosion site. We expect the detonation of the pipe bomb found at Banco Latino any minute. [loud explosion heard in background]

Vehicle traffic was finally resumed, and Disip officials departed the area. The Disip and PTJ will investigate this situation to determine who planted this explosive at Banco Latino in San Martin.

Bombs Explode at Bank Branches*PA1204192094 Hamburg DPA in Spanish 1712 GMT
12 Apr 94*

[Text] Caracas, 12 Apr (DPA)—Several Banco Latino branches in Caracas were the targets of low-intensity explosions this morning which resulted in only property damage. Banco Latino was taken over by the Venezuelan state in mid-January for a lack of liquidity, thus giving rise to the worst financial crisis in the country's history. The bank reopened its doors last week.

A homemade explosive device exploded at the Banco Latino branch in Quinta Crespo (southwestern part of the Venezuelan capital) at 0520, causing only slight property damage. Police found and defused another device placed inside a gasoline container at another nearby Banco Latino branch. Banco Latino's main office has received several phone calls throughout the day warning of possible explosions.

Banco Latino press department spokesmen reported about an attack on one of the bank's branches in Altamira (eastern Caracas), the windows of which were all shattered.

So far only one person has been arrested. Interior Minister Ramon Escovar Salom said he will wait to see the police reports before issuing his position on the incidents.

Caldera Asks Media To End 'Negative Campaign'*PA1204222994 Caracas EL NACIONAL in Spanish 9
Apr 94 p D2*

[Report by Miguel A. Liendo]

[Text] Merida—President Rafael Caldera has said that Venezuelans who want something that a majority of the country does not are behind an anti-Venezuela campaign. He said this at a news conference in Merida where he was attending the ordination of Monsignor Juan Maria Leonardi Villasmil, the auxiliary archbishop of Merida.

President Caldera asked the media "to stop echoing foreign campaigns and publicizing this negative campaign because it is detrimental to the country and its interests." He added that such campaigns come from very unimportant U.S. concerns [empresas] and organizations that are not well recognized.

The president addressed media concerns about the national economy and reports that circulated regarding the risks that the country could entail to foreign investors.

That campaign has repercussions in Venezuela because certain sectors are echoing it with intentions and interests unknown to me, he added. "Actually, behind the campaign are certain Venezuelans who want something that a great majority of the people do not: to see the government that I head fail to comply with commitments made to the Venezuelan people."

The U.S. Government, he added, as stated explicitly by its ambassador accredited in our country, has no role in or the slightest liking for that negative campaign, because this government recognizes and proclaims the efforts that my government is making for Venezuela, democracy, and the entire American Continent.

Caldera said that in the United States Enrique Iglesias, president of the Inter-American Development Bank [IDB], "has very clearly recognized the efforts being made by the current government, and this is confirmed at meetings with important government officials. Iglesias made this statement after having serious and thoughtful study; moreover, the IDB, World Bank, and IMF have also conducted similar studies of the Venezuelan situation."

He added: Thus, I urge my country's media, which sometimes publishes excessively large headlines on any opinion issued by any unimportant organization that is virtually unknown in the United States, to realize that they could hurt the country and the very interests they represent.

Taxes

[Reporter at news conference] How will your government control any wave of speculation? How will it control tax money to ensure it is truly channeled to solving the country's important social and economic problems?

[Caldera] No one likes to pay taxes; it is not pleasant to collect them either. The need for them is determined by the serious budget crisis facing the country that is worsened by a drop in the price of our main product,

petroleum. The measures that will be adopted are important, and they very clearly reflect the concern for social justice that governs this government's activities.

He recalled his commitment to eliminate VAT [value-added tax] at the consumer level and to shift the burden of taxes to those who are economically able to pay them.

Salary Increases

The president said that he trusts that there will be no price increases because, in his opinion, it would be unjustified. We think, he added, that it is an indispensable obligation to increase the minimum wage of all Venezuelans who do not earn enough to meet their basic needs.

He said that the economic guarantees were suppressed and that the powers granted to the government by those measures have not been exercised with much prudence, but we know that there are prospects for eliminating any outrageous abuses that might further worsen the already difficult economic situation facing Venezuelan households.

When asked whether his government will define a true policy for foreign investments, Caldera said that very important people in the international economic world and in developing countries trust our economy, the course it is following, and the guarantees it offers.

[Reporter] Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] fears inflation will result from the announced increase in wages and salaries; the CTV [Confederation of Venezuelan Workers] demands them. When will that announcement be made? What is your opinion on the position of the business leadership?

[Caldera] Salary increases are not enacted to create inflation but because there is inflation. My administration's main goal is to fight inflation.

Article Views Effects of Financial Crisis

PA1204182094 Caracas REPORTE DE LA ECONOMIA in Spanish 7 Apr 94 p 21A

[Article by Manuel Lopez Calo]

[Text] The financial crisis had a very high price for the country, reaching 10 percent of GDP. Credit assistance reached 363.058 billion bolivares (6 percent of GDP) and there was capital flight worth \$2.65 billion during the first quarter of the year. The collapse of important banks created such a climate of distrust that those holding liquid assets were forced to purchase foreign exchange in an amount eight times greater than the decrease in international reserves for the entire year of 1993.

The reopening of Banco Latino, where the problems confronted by the banking system were first detected, coincides with the decline of the crisis in the financial

system. The intervention at Banco Latino was a bad business for the government in terms of opportunity costs, but the lowest point of the curve seems to have passed. The Central Bank of Venezuela (BCV), announcing the reserve levels at the end of the first quarter, reported that the foreign exchange movement had begun returning to normal.

With a balance of \$12.656 billion in gross reserves at the end of 1993 and a positive balance in the current account of the balance of payments—\$937 million at the close of the first quarter—the gross amount of foreign currency to date is \$10.943 billion, which means there had to be a \$2.65 billion flight of capital.

Indebtedness To Bridge the Gap

The government made a cut in the 1994 Credit Law to reduce net public indebtedness. Liabilities of 240 billion bolivares, equivalent to \$2.1 billion, are expected, but 100 billion bolivares are expected to be amortized.

The government's objective is to reduce the number of sources of financing from multilateral organizations not considered priority and which are tied to requirements that the government cannot meet. But this shift in the government strategy harms the position of the capital account of the balance of payments.

The multilateral organizations' loans committed to social programs allowed the country to capitalize the loans because they did not signify expenditures of the country's foreign currency. This mechanism would mitigate the negative tendency of the balance of payments.

The governmental goal of the 1995 Umbrella Law is to commit resources to purchasing strategic military equipment, ruling out the possibility of capitalizing the indebtedness.

Necessary Aid

The monetization of financial aid could promote inflation if the BCV does not use mechanisms to reduce liquidity. An increase in the monetary base without an increase in goods and services produced by society increases the price of products. This, however, was a necessary evil to reestablish the system's stability.

The failure of one bank could generate the failure of others, a risk the fiscal authorities did not want to take. One peculiarity of the financial crisis is that there is a systematic relationship: The collapse of bad banks could provoke the failure of good banks.

Without a solid financial system, it is impossible to think about the entry of new capital. The people's distrust increases the demand for dollars, creating distortions in the economy, as occurred in the country in the first quarter of the year.

Cover Deficit in the Current Account

The basic objective of the government's stabilization program is to obtain a macroeconomic equilibrium to reestablish a climate of confidence that will open new opportunities for private investment and promote productive activity. The entry of capital would improve the balance of capital, thus strengthening the country's international reserves.

If we are unable to attract foreign exchange capital, our international reserves will continue to decrease. The current account will continue along the same trend of 1993 and might reach a \$3-billion deficit balance this year. The entry of nonspeculative and short-term foreign exchange capital would strengthen the Venezuelan position. A climate of political stability and an economic proposal devoid of excessive adventurism could be the key to recovering investor confidence.

Roundup of Economic Developments

PA1304014094

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 12 April.

Data collected by the Foreign Investment Superintendency, Siex, and the National Committee for the Promotion of Foreign Investments indicate German companies made \$43.6 million in direct investments in Venezuela in 1993. Sven Heldt, president of the Venezuelan-German Chamber of Commerce and Industry, has said most investments focused on the chemical and pharmaceutical areas. The main investors were Hoechst (\$24.9 million), Bayer (\$7.5 million), Siemens (\$4.6 million), Schering (\$3.5 million), Wella (\$.8 million), Fichtel and Sachs (\$.6 million), and Viex Anstalt (\$.6 million) (Caracas EL REPORTE DE LA ECONOMIA in Spanish 5 April 94 p 22)

The most recent Siex figures indicate foreign investments reached \$3.03 million in March 1994 compared to \$30 million in March 1993, a 90-percent drop. The accumulated investment for 1994 is \$21.867 million compared to \$33 million for the first three months of 1993, a 30-percent drop. The major contributors of foreign capital are Denmark, the United States, the Netherlands, Switzerland, and Saint Martin. The manufacturing sector, with \$13.5 million, was the main recipient of foreign capital in the first three months of 1994. Transportation, storage, and communications also received major investments. (Caracas EL NACIONAL in Spanish 7 April 94 p E-8)

The Venezuelan Petroleum Corporation on 5 April announced a price increase of its crudes and other products as of 6 April. Heavy crudes increased by 50 cents, light crudes by \$1 per barrel. Other products increased by 2 to 3 cents per gallon. Gasoline increased by \$2.50, jet fuel by 3 cents, and distilled products by 2

cents. The decision stems from an increase in international petroleum prices and an adjustment in the price of Venezuelan petroleum to the price established by the international market. This increase established the price of Venezuelan export petroleum at \$12.05 per barrel. (Caracas EL DIARIO DE CARACAS in Spanish 7 April 94 p 15)

The Central Bank has reported Venezuela paid \$783.5 million of its foreign debt during the second half of 1993. Of that figure, 5.4 percent was used to pay capital, the rest to pay interest. Aggregate domestic demand dropped by 5.6 percent in real terms during the second semester of 1993 due to a 1.2-percent drop in private consumption and 4.1-percent drop in government consumption.

Investment dropped by 3.3 percent in real terms due to a 12.5-percent drop in public investment. In contrast,

private investment grew by 13.4 percent, fueled by demand from the construction sector. Hotels and restaurants, commerce, agriculture, construction, and manufacturing were the most affected areas. The Central Bank has reported the domestic public debt amounted to \$223.641 million bolivares during the second half of 1993 in comparison to \$156.546 million over the first half. Treasury bills totaled 30.7 million bolivares during the first half of 1993 compared to 66.08 million in 1993 over the second half. (Caracas EL NACIONAL in Spanish 10 April 94 p E-8)

Banco Latino spokesmen have reported this bank increased its cash savings and deposits by 6.19 percent between 4 to 7 April, the first week following its reopening. Deposits and savings amounted to 84.961 million bolivares a.s. of 7 April. (Caracas REPORTE DE LA ECONOMIA in Spanish 11 April 94 p 3)